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# THE DEPARTMENT OF STATE

# BULLETIN

VOL. XIV, NO. 348

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German Propaganda Directives . . . . . page 311

The Credit to Britain and World Trade . . . page 317

By UNDER SECRETARY ACHESON

1651 Pennsylvania Avenue. . . . . page 322

Article on BLAIR HOUSE by KATHARINE ELIZABETH CRANE

For complete contents  
see inside cover



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BULLETIN



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*Publications of the Department, cumulative lists of which are published at the end of each quarter, as well as legislative material in the field of international relations, are listed currently.*

# Contents

	Page
Excerpts From Basic Postulates and General Themes for German Propaganda Abroad:	
General Instructions for Propaganda Abroad . . .	311
General Basic Postulates for Propaganda Abroad .	313
General Basic Postulates . . . . .	314
Basic Postulates for North America . . . . .	314
The Credit to Britain and World Trade.	
By Under Secretary Acheson. . . . .	317
1651 Pennsylvania Avenue.	
Article by Katharine Elizabeth Crane . . . . .	322
The Economic and Social Council of the United Nations: U. S. Resolution on Trade and Employment . . . . .	326
Conference of Economic Counselors and Advisers to United States Missions in Europe . . . . .	327
<b>International Organizations and Conferences</b>	
Calendar of Meetings . . . . .	330
Activities and Developments:	
The West Indian Conference . . . . .	330
The Far Eastern Commission . . . . .	331
Boards of Governors . . . . .	331
<b>Record of the Week</b>	
Second Session of the West Indian Conference:	
Message from President Truman . . . . .	332
By Charles W. Taussig . . . . .	333
Development of the St. Lawrence Seaway and Power Project.	
Statement by Under Secretary Acheson. . . . .	334
Appointments to Preparatory Commission of UNESCO:	
Esther C. Brunauer as U. S. Representative . . . . .	337
Howard E. Wilson as U. S. Member on International Secretariat . . . . .	338
U. S. Government Orders Documents Returned to Czechoslovakia . . . . .	338
Deposit and Registration of Czechoslovak Securities . . . .	339
Visit of Finnish Journalists . . . . .	339
Discussions of Relations With Austria . . . . .	339
*Polish-Soviet Treaties of Friendship and Alliance. . . . .	340
Direct Telegraphic Service With Embassy in Paris . . . . .	345
Education Advisory Group to Japan . . . . .	345
Occupation Orders for Japanese Fishing and Aquatic Industries . . . . .	346
Fifth UNRRA Quarterly Report: President's Letter of Transmittal . . . . .	347
*Whaling Agreement and Protocols:	
Netherlands . . . . .	347
Denmark . . . . .	347
Agricultural Mission to Visit Near East . . . . .	348
Privileges and Exemptions for International Organizations . .	348
Visit of Argentine Architect . . . . .	349

(Continued on page 352)

\*Treaty Information.

# Excerpts From Basic Postulates and General Themes for German Propaganda Abroad

## No. 27: GENERAL INSTRUCTIONS FOR PROPAGANDA ABROAD

(laid down in PLS of 3-2-43)

The chief aims of German propaganda abroad are:

1. Impairment of Anglo-American and Soviet powers of resistance, paralysis of the military spirit (*Kriegswillen*) of these countries, and the encouragement of the longing for peace in our enemies.

2. Splitting and impairment of the alliance among Britain, the United States and the Soviet Union.

3. Convincing the world of the sure victory of the Tripartite Powers and the inevitable defeat of our enemies.

4. Maintenance and intensification (*Vertiefung*) of the fear of the Bolshevik danger on the part of Europe and the rest of the world. The triumph of our enemies would mean the Bolshevization of Europe and the world.

The following are available for propaganda:

### I. To the United States of America:

The continuation of the war is senseless, because

1. The United States has never been threatened by anyone, and does not need to defend itself against anyone, since it is unassailable in its own continent.

2. There is nothing for the United States to gain in Europe against Germany. The United States has in its own country everything that the American people needs.

3. America cannot win this War even with the efforts of its allies, since the Tripartite Powers have gained completely unassailable positions in Europe and East Asia. The continuation of the war means tremendous sacrifices in blood, money and way of life for the American people. The American people will sacrifice their best husbands, fathers and sons, and all their wealth, to no purpose at all. It must stint itself on every hand, without the slightest necessity therefor, without being able to gain any return from these sacrifices, and without any hope of success.

4. It is making those sacrifices not in its own, but in the interests of Britain. It is being used by England for the maintenance of her world power and, as after the World War, will be cheated of all the fruits of its exertions. The American taxpayer is having to pay not only for American war expenses, but also for the unlimited burdens which are entailed by the provision of war materials, foodstuffs and industrial output to England, the Soviet Union and other allies. Nothing will be seen of this money after the War.

5. Roosevelt's mad dream of seizing and leading the world, which was instilled in him by the Jews, the true enemies of the American people, will never be realized.

6. Roosevelt has broken his solemn promise to keep America out of the War. He has betrayed the heritage of Washington and the Monroe Doctrine, and Christianity through his alliance with

This is the first instalment of excerpts taken from a book of propaganda directives, *Standardthesen und Richtlinien*, issued by the "Chief of Propaganda on the Staff of the Minister for Foreign Affairs" of the German Government. In a foreword designated "Confidential!" and dated Field Headquarters, 12 May 1943, this official, Dr. Megerle, states that the volume sets forth "the basic postulates and lines of propaganda abroad which have been laid down by the Minister for Foreign Affairs".

The book contains 35 numbered "basic postulates" for German propaganda directed to or concerning most major areas and countries of the world. The order of the arrangement is somewhat arbitrary, postulates 1-10, 13, 15-17, and 27 being of general application. Others deal largely with individual countries, areas, or subjects.

The excerpts that are printed in this issue of the BULLETIN consist of postulate 27, the most comprehensive in scope; 1-10; 13; and 23, which has two parts—first, directives for the United States itself, and, second, directives for propaganda regarding the United States for material directed to all other areas.

The second instalment, to be printed in an early issue of the BULLETIN, will consist entirely of postulate 20, concerning propaganda to the United Kingdom.

Bolshevism. He is liquidating American democracy and is striving like a dictator for a fourth term in the Presidency, in order to keep his nation in the War.

## II. To Britain:

1. Britain has already lost the War. She cannot prevent the triumph of the Tripartite Powers. Some day Russian strength will be paralyzed. America can never be decisive on account of the lack of shipping in the face of the ever increasing sinkings of her ships by the U-boats of the Tripartite Powers, and the intensified shortage of shipping space, and the ever more unassailable positions of the Tripartite Powers in Europe and East Asia. Britain's struggle is thus futile.

2. Britain has allied herself with two powers who are the mortal enemies of the British Empire. Even in case of a victory of our opponents, the real victors would be the Soviet Union in Europe, and the United States in the rest of the world. That would mean the rule of Bolshevism from the White Sea to Calais and the Mediterranean, and predominance in the rest of the world by the United States, which with 135 million people against the 46 million in Britain would take the leading position and relegate Britain to a dependent position. America can only realize her claim to world leadership at the expense of the British Empire. That would be the end of Britain as a world power.

3. Roosevelt brought on the War in order to liquidate the British Empire. The course of the War to date has shown that American claims at present can only be satisfied at the expense of Britain. Britain has already been almost entirely thrust out of the Western Hemisphere. America has already forced her way so far into Africa, the Near East, India, Australia, New Zealand, and Nationalist China that she partly overshadows the British position. The United States has decided to make herself the leading power on the sea, in finance, and in trade at the expense of Britain, and to win a monopoly of air commerce. By the continuation of the war America is proceeding according to plan with the impoverishment of Britain, and is bringing her into complete dependence on the United States.

4. Parallel with this there is a growing Bolshevik infiltration among the British laborers. The longer the war lasts, the more certain it is that British democracy will be liquidated.

## III. To Europe:

1. Today Europe has a choice only between Bolshevik chaos and the new European Order which is beneficial for all nations. Since the War must be fought out to the bitter end, a third alternative is impossible. A victory of the Anglo-Americans and the Bolsheviks would not be followed by peace, security and prosperity, but only by a further bloody war.

2. Our enemies are anything but united. Already the simple discussions of future peace plans indicate the unbridgeable conflicts between the imperialistic Powers, Britain, America, and the Soviet Union. They are so disunited in their war aims that a common reconstruction would be entirely impossible. Their imperialistic interests and their pretensions to world domination would set them against each other, and a permanent war, with Europe as the principal battlefield, would be the result.

3. A victory for our enemies would mean a Bolshevik victory for Europe, that is, a Bolshevization of the Occident, the metamorphosis of the European States into members of a European Soviet Union, and the mobilization of European resources (*Kräfte*) for Moscow. The Red Army would throw the Anglo-American forces out of Europe, if Britain and America did not quickly withdraw out of fear of Bolshevik infiltration (infections?) as (happened) in 1919.

4. The best Army in the world, that of Germany and her allies, stands as the sole bulwark of Europe against the Bolshevik flood. No other combination on earth could save Europe from the greatest catastrophe in her history.

5. On the other hand, a victory for the Tripartite Powers and their allies, which are not divided by any dissensions, signifies (the following) for Europe:

(a) Rescue from Bolshevism;

(b) An immediate and lasting peace. No non-European Power could plunge Europe into a war by maneuvers of one European Power against another. The fundamental British policy of maintaining a political Balance of Power in Europe has been outmoded by technical and other developments:

(c) An unexampled flourishing of culture and prosperity. The same is true for East Asia.

(d) A new and better Order in Europe under



the responsibility of the Axis Powers, which will guarantee a just and honorable place to the other States of Europe, because they are inextricably tied up with the fate of Europe for better or worse.

The conduct of the Axis toward the little States of Europe shows that cooperation is compatible with the sovereignty, freedom, and internal self-determination of these States.

#### IV. To East Asia:

Japan's leadership in East Asia means: the rescue of the East Asiatic peoples from Bolshevism,

the establishment of orderly relations and the creation of enormous markets as a consequence, which will also spread in the end to industrial nations.

#### V. To Russia:

Britain and the United States intend only that Soviet Russia and Germany shall weaken each other as long as possible so that eventually the two capitalist empires can undertake without danger the liquidation of the Soviet Union by an attack. The Red Army is needed so far only as cannon fodder for British and American plutocracy.

### GENERAL BASIC POSTULATES FOR PROPAGANDA ABROAD

(laid down under date of 29-12-41)

#### No. 1

Churchill seized the first opportunity to begin this war out of pure British unbridled greed for power. But behind Churchill stood Roosevelt as the exponent of World-Jewry. No one doubts any more that this World War was induced only through Roosevelt's aggressive behavior toward Germany, Italy and Japan, which have always declared their desire for peace and friendship with the American people. Thus, Roosevelt is the ultimate instigator and the principal war criminal of this World War.

#### No. 2

Because of the historic victories of the German Army over the Bolshevik Army, the national power of Bolshevism has sustained decisive injuries [*lit. trans.* blows], which no power on earth can undo. (Revision of 23-1-42)

#### No. 3

With the Japanese victories over the American and British armed forces in East Asia, Japan has won domination of the sea and air in East Asia. Thereby, Japan is in a position to carry out in an orderly manner and without serious interference her operations on land for the control of the entire East Asiatic area.

#### No. 4

Europe has been made proof to blockades for all time through the possession of the greatest part of European Russia and the Ukraine, and through the utilization (*Nutzbarmachung*) of the wealth of grain and raw materials for the European economy.

#### No. 5

Through the achievement of control by Japan of the East Asiatic region, Japan came into possession of the richest sources of raw materials in the world. It follows from this situation that Britain and America will be forced to break off completely their arrangements for procuring indispensable raw materials from this region.

#### No. 6

Germany and Italy, with their allies and friends, are protecting Europe by the expenditure of their blood from the annihilation and eternal slavery of Jewish Bolshevism. They are thereby saving European culture and have a claim to the gratitude of all European nations.

#### No. 7

The common struggle of the European bloc under the direction of the Axis, and of the East Asiatic bloc under the direction of Japan, forces the enemy powers to disperse their forces over all the oceans.

#### No. 8

Militarily unassailable and economically insured, Europe can already begin her peaceful New Order according to plan.

#### No. 9

Through the victories of the Axis in Europe and the victories of Japan over the Anglo-American forces in the Pacific, the ascendancy of Germany, Italy and Japan, and their allied States in the political, military and economic spheres has become so great that no combination of powers on earth

can stand up against them in the long run. However long the war may last, the final victory of the Axis is thus already assured.

#### No. 10

The Tripartite Pact Powers and their allies will carry through this war with all the fanatic faith and will to victory of the young nations until the

final downfall of their opponents. But the principal war aim [*lit. trans.* peace aim] of the Axis Powers is: The overthrow of the international anarchy preached by Jews, Bolsheviks and plutocrats by the construction from the ground up of closed economic regions (*Lebensräume*): Europe for the Europeans, East Asia for the Asiatics.

### No. 13: GENERAL BASIC POSTULATES

(laid down under date of 4-1-42)

The annihilation of two thirds of the American Fleet by Japan, and the heavy losses in ships caused the British by the Axis Powers, have al-

tered the world situation fundamentally. Japan and her Allies are now fully a match for the combined Anglo-American Fleets.

### No. 23: BASIC POSTULATES FOR NORTH AMERICA

(laid down under date of 19-3-42)

#### A. Ten basic postulates for propaganda directed to the United States of America—for general use.

1. Roosevelt is the principal war criminal. He went looking for war everywhere. Germany and Italy had only the friendliest feelings for America, and Japan was trying to reach a settlement with America. A calm, reasonable foreign policy, such as the American people desired, would have protected American interests completely, and kept the Western Hemisphere out of the War. Roosevelt's contention that the Tripartite Powers would have threatened America is entirely without foundation. They had not the slightest interest in that. On the other hand, Roosevelt calculatingly prevented every peaceful solution by his meddling in all parts of the world and by his fanatical opposition to a policy of understanding in Europe and East Asia. He openly praised himself for this. No appeasement! Three long years of provocative acts (*Angriffsakte*) against Germany and Italy. Continual challenges to Japan without the slightest concession.

2. Roosevelt took refuge in the War. What impelled Roosevelt to this war policy? Answer: Personal ambition, lust for power, and the awareness of his inability to solve the internal economic and social problems of America. The dissatisfaction in America called forth by this inability forced Roosevelt to some solution (*Ausweg*), if he and Mrs. Roosevelt were to remain in power.

But this solution meant war. Only thereby could he dissociate the American people from his domestic blunders. By the greatest breach of faith in American history he gained his third term [*lit. trans.* turn] and was able to make war. Now President Roosevelt wants a long war in order to remain in power. If American citizens must now exchange employment and freedom for military drill, if mothers must give up their sons, and wives their husbands, if the standard of living of the whole American nation is circumscribed, all this serves the purpose only of the grasping for power of the President and his henchmen.

3. Roosevelt's pretension of fighting for the maintenance of democracy and liberty is a lie. In the election campaign Roosevelt promised the American people to keep the U. S. A. out of war. He calculatingly deceived the American people and broke his word. Step by step he presented the Senate with accomplished facts which destroyed the pledged neutrality and plunged the American nation into the War. He then allied himself with the British Empire, for centuries the oppressor of nationalities (Ireland, India, Palestine, Jamaica, Egypt, Iraq, etc.), as well as Soviet Russia, the bloodiest dictatorship and foe of democracy (Soviet Russian attack on Finland). Contrary to the principles of the Monroe Doctrine, which was respected by the Tripartite Pact Powers, Roosevelt meddled in the affairs of all

nations and continents. He betrayed the tradition of Washington and Monroe. He wishes to be the policeman for the whole world.

4. Democracy is only a screen and a slogan for Roosevelt. His methods of governing (fight against the Supreme Court and purposeful sidetracking and ignoring of Congress) show that he is aiming at dictatorship and has already practically set aside the ancient American Constitution. Roosevelt is liquidating American democracy. Today not much remains of the American way of life. Everywhere inroads by the State into the life of the individual are noticeable, free commerce and a free economy are being liquidated, and high taxes, frightful national debts, and inflation are the result. Roosevelt is opening the gates of America to Bolshevism, the destroyer of intelligence, freedom of expression, and private property.

5. Roosevelt's contention that he protects small nations is a lie. Roosevelt overpowered Latin America, occupied Greenland, Iceland, Dutch Guiana, and North Ireland, induced the occupation of Iran by the British and the Soviets, and allied himself with the British and Soviets, the destroyers of numerous small nations.

6. Roosevelt's war is not furthering the interests of the American people, but the resurrection of Jewish power in the world.

Roosevelt is the exponent of World-Jewry, and is surrounded by Jewish advisers.

Roosevelt calls the Jew Baruch, who took Wilson into the World War, his friend and master. World-Jewry hopes to be able by the complete domination of the American people to win back its power throughout the world, starting from America. In this task [*lit trans.* with this purpose] the American people, which the Jew oppresses, will be worn out, for:

The War will lead to frightful outlays of materials, enormous burdens of debt, and inflations in America. Every rifle and cannon, every airplane, which leaves the United States, must be paid for by the American taxpayer. Not one dollar of it will be repaid. The result of the war for the American people will be the greatest economic and social crisis. However, the American Jew is not fighting in, but profiting by, the War.

7. Roosevelt's utterances about God, Christianity and Humanity are hypocrisy:

His alliance with the Bolsheviks, the greatest

atheistic organization in the world, shows that. Roosevelt's concern about the Vatican is only a political maneuver to hitch the Catholic population to his wagon.

8. Through the fault of Roosevelt, Stimson, Knox and Company, the American Army has already been beaten at the very beginning of the War. Roosevelt carried out his war policy, even though he knew that he was not equal militarily and materially to such an eventuality. The greatest part of the American Navy was destroyed in the Pacific, the naval bases were partly lost (Guam, Wake, and the Philippines), and partly heavily damaged (Hawaii). Air superiority had to be surrendered to the Japanese. The U-boats of the Axis are adding heavy losses in American shipping in the Atlantic. The American Army has no tradition, no experience in warfare, no modern instruction. It has not grown up (*Sie steckt noch in den Kinderschuhen*). Roosevelt, like Churchill, is a military dilettante. His military dilettantism and that of his Jews, and the strategy of colossal errors, are responsible for the American defeats. The defeat at Pearl Harbor is Roosevelt's defeat.

9. Roosevelt's astronomical rearmament figures are sheer bluff. The Americans can see for themselves that the success of the Rooseveltian rearmament program is impossible. Roosevelt will never be able to perform the promised assistance to England, the Soviet Union, China, Australia, de Gaulle, and South America, and simultaneously achieve rearmament at home, particularly because of raw materials shortages and the backwardness of the American armaments industry.

The Japanese successes in East Asia alone take from America the bulk of the rubber, tungsten and tin supplies, which are indispensable to her rearmament. After several years the Brazilian rubber industry is just now going into production. The American rearmament industry is not so capable as Roosevelt contends. It lacks machines and experienced workers, and it suffers in addition from deficiencies in organization.

The comparison of the munitions production capacity and the military possibilities of America and Britain with those of the Tripartite Pact Powers and their allies, and the countries controlled by them speaks for itself, taking into account the industrial structure, munitions production capacity, tradition in armaments, and the number of highly qualified skilled workers:



*On the one side:*

America .....	135 million people
England and Canada.....	55 million people

About.....	190 million people
------------	--------------------

The potential of Russian arms production has been weakened by the loss to Germany of the most valuable sections of the munitions industry.

Aside from shipyards, England and America have only a few significant munitions factories with any tradition, insufficient numbers of munitions workers, little experience in the production and testing of arms and munitions, too few armament technicians, an inadequate officers' and non-commissioned officers' corps, no experience in modern warfare, and no military tradition. Above all, they lack a clear, unified war aim.

*On the other side the Tripartite Pact Powers:*

Germany and Italy in Europe, as well as the countries controlled by them, which all work for the armament and supply of Germany, Italy, and their allies:

About .....	400 million people
And Japan.....	100 million people

Total .....	500 million people
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Thus the Tripartite Pact Powers have at their disposal the greatest munitions factories in the world with centuries-old tradition. Hundreds of thousands of competent technicians, munitions workers, a mighty officers' and noncommissioned officers' corps with a long tradition of soldiery and vast experience in the conduct of modern war. Germany mobilized powerful reserves at home and abroad in the measures she took to conduct total war. And to this should be added the unified fighting spirit of the European nations fighting for their future.

The situation is similar with the Japanese. It follows that the Tripartite Pact Powers will in any event exceed the arms production of their opponents.

So far as raw materials are concerned, the Tripartite Pact Powers have at their disposal at least as great raw materials potentials as the British and Americans with their Russian allies, after the Anglo-American losses in raw materials sources in the Pacific, and the Soviet losses in Eastern Europe.

Roosevelt says that his rearmaments program will only come into full swing in the next few

years. On the other side one can definitely state (*festzustellen*) that the great armaments production program of the Tripartite Pact Powers will take on gigantic proportions in 1943.

However much Roosevelt and his British allies can produce in armaments for land, sea and air, the Tripartite Pact Powers and their allies with their 500 million people and the most highly developed munitions industry in the world will exceed the British and American arms production at any given time.

10. The present War is entirely different from the World War.

(a) The U. S. A. will lose this two-front war. The allies of the U. S. A., Russia and Britain, are already so greatly enfeebled by the victories of the Tripartite Pact Powers that their full participation in the War can no longer be depended upon. The Russian winter offensives have been shattered with frightful losses to the Russians. The German Army stands ready to unleash new blows against the Soviet Union. England is hard pressed by the victories of the Tripartite Pact Powers in Europe and East Asia on the sea, on land, and in the air. The ever heavier inroads of the U-boats are decimating the Anglo-American tonnage catastrophically. No building program instigated by Roosevelt can replace the tonnage sunk. The Anglo-Americans cannot transport even their normal essential supplies.

The common effort of the European bloc under the leadership of the Axis, and the East Asiatic bloc under the leadership of Japan, compels America to disperse her forces over enormous distances.

This dispersion takes away from America and Britain any hope of being able to overcome Germany, Italy, and Japan, and their allies. The tremendous tonnages necessary to the transportation of troops and war materials to all battlefronts will never be available. For this reason alone, it will be impossible for America to participate in a decisive manner in this war, no matter how much war material she produces, however many troops she trains. Also, there is no possibility of a landing in Europe as in 1917. Therefore, America will lose her war of two fronts. The attempt to prevent the victory of the Tripartite Pact Powers is in vain, no matter to what efforts Roosevelt and his Jews force the American people. All American efforts are hopeless.

(Continued on page 344)



# The Credit to Britain and World Trade

By UNDER SECRETARY ACHESON

**I**T IS DISCOURAGING to some that our problems did not end with the end of the war. Our people strained themselves to the breaking point to win the war; they devoted themselves untiringly to the difficulties which arose and they solved them; and now they would like to enjoy the peace. But, of course, we have always known that keeping the world peaceful was difficult too. That also requires our patience and our best efforts.

Surely there is no problem which affects us more intimately than a prosperous world and a prosperous United States. It is about that question that I would like to speak to you tonight.

From late summer until last winter representatives of the American and British Governments worked together to arrive at a solution of the financial and trade problems which both of us face. When the discussions were completed we had reached agreement as to the means we would employ to secure the chance of a prosperous world.

Those means cover a broad range. They include the settlement of the lend-lease and reciprocal-aid account between the two countries, an agreement on the proposals for an international trade organization and the granting of a credit to Britain.

I should like to tell you why I think it makes sense for us to extend a credit to the British, and second, I should like to tell you why I think the terms of that credit are in our own interest.

A little less than a year ago we presented to the Congress the Bretton Woods agreements for an International Monetary Fund and an International Bank for Reconstruction and Development. We presented those agreements against the background of what we believed were going to be the post-war economic conditions of the world. We stressed to the Congress that, when the period of war was over and the period of lend-lease was over, we would abruptly face the problem of supplying the needed imports which foreign countries must have to live. We explained that these countries would find it very difficult to get dollars

because they would have few goods to sell and that, without the Bretton Woods institutions, we would run into a whole series of restrictions over world trade, a series of restrictions which would be designed for the purpose of helping each country force its products on the rest of the world so that it might earn enough money to buy abroad the barest minimum of goods it required for its people.

We said that these efforts could only lead to a system of closed blocs; each country would want to fence off for itself a market where it could sell its goods. In fact, it would have to make such an attempt because only by doing so could it earn enough money to purchase from other parts of the world what it needed to live upon. The Congress believed what we said. It believed that that would be the central economic problem of the post-war world, and it passed the Bretton Woods Agreements Act.

The better part of a year has gone by. Everything that was then presented to the Congress has proved to be far too true. I don't think it unfair to say that in that period of time the whole condition of the world has deteriorated far more than we could have thought. It seems to me that it has passed the point of being critical. It has reached a point where only the most timely and vigorous action on our part can prevent a further decay into the conditions of economic anarchy.

Why has that happened? It has happened partly because events have moved far faster than we have been able to provide measures to deal with them, partly because the military occupation has come sooner and lasted longer in some areas than we thought it would, and partly because conditions in the world are generally worse than we thought they would be. It has happened for a hundred other reasons.

An address delivered at a meeting sponsored by the League of Women Voters on Feb. 19 at St. Louis, Mo., and released to the press on the same date.

Why have I discussed this situation? What is its relevancy to Bretton Woods and the credit to Britain?

Let us think for a moment about the position of the United Kingdom in relation to world trade, world production, world exchange of goods, and world commerce. Let us think of the position of the United Kingdom, not merely because of the tremendous importance of what it buys and sells, but also because of the tremendous importance of its currency, which together with the dollar provided the trading mechanism for one half of the total pre-war world trade.

Britain and the United States provide the currency which, after this war and the elimination of Germany and Japan from prominence in international commerce, will be the currency with which two thirds or three quarters of the trade of the world is conducted.

Let us look a little more closely at the position of England. Before the war, one fifth of the entire trade of the world moved in and out of the ports of Great Britain. That little island was like a lung. It was the breathing in and out, the drawing in of imports and the sending out of exports, which was one of the great activating forces of world trade. Great Britain and the British Empire, the United States and Canada between them conducted one half of all that trade. British trade, Canadian trade, American trade affected every single corner of the earth, affected France and all of Europe, affected Indonesia, China, Japan. Every part of the world was activated by British and American trade.

Now, what is the position of Great Britain today? During the war many things happened to that island. One of the things was that through force of necessity, through the virility of its own administration and its own character, that island converted almost its entire economy to the production of war commodities. It is easy to say that the British had to do that because they were in the middle of the fight, and they could not have survived without doing so. But many other people were in the middle of the fight and did not survive because they did not do so. The British took no half measures. They never spared themselves. All of their industries were transformed into the production of war goods; their manhood was scattered over the seven seas and all the continents in the armed services; old men, women, and children

were brought into the factories. Life throughout Britain was completely disrupted to produce materials for the war and to carry on the war. I am not saying this because this loan is a reward for virtue; I am saying it to indicate the condition of that island at the end of the war. British exports were down to 30 percent of what they had been before the war. But that is still only part of the picture.

Another thing which had happened to Great Britain was that, although the United States had provided about 25 billion dollars of aid through lend-lease, the British had provided us with 5 billion of reverse lend-lease aid; and they had to conduct the war from the Straits of Gibraltar to India and Burma through the use of the British pound sterling. At the end of this year the British will have accumulated 14 billion dollars in sterling debts to other countries. I don't mention that merely because it is a tough thing for Britain to accumulate debt; we have accumulated debt ourselves. We borrowed billions from our own people. But the important fact about the British is that they accumulated debt to other people. What does that mean in terms of world trade?

It means, first, that for decades and decades the British will have to export goods for which they get no pay. Those goods will have to be exported to pay off the sterling debt. That is inevitable. That must happen. That is the burden the war brought upon Britain. It is our hope and the hope of the British that some of their creditors will agree to scale down a part of that debt, as part of their war contribution. But there will certainly remain a very substantial amount which Britain will have to work off through exports. And that means that, unless drastic steps are taken to secure an interchangeability of currency, the British must work for their individual creditors; and their individual creditors, if they are to realize upon their debt, must accept British goods and services only. That problem, if not dealt with in some way, would bring about a channeling of economic activity which could only result in the division of the world into closed economic blocs.

I hope it is clear what I mean. In order to buy meat during the war, the British bought it from Argentina. That is where they had to buy it, because that was the only place they could get it. The way they paid for the meat was to say to the Argentine, "We will give you sterling credits in

London. You can draw on a bank in London for sterling and that is good wherever and whenever you can use sterling". This transaction, which was repeated again and again in various parts of the world, was one of the most extraordinary financing jobs of the war. People went on taking sterling credits in London because they had faith in the integrity of the British character and the British Government. They could not use this British money for the time being. There was little they could buy with it. They could not exchange it for dollars, francs, or rubles. All they had was the faith that some day they would be able to buy something with it.

If you look at nothing more than the claims on future British goods which arise from Britain's sterling indebtedness to other countries, you can see that for generations people in India who have sterling credits, people in Egypt who have the same thing, and people in Near Eastern countries and South America would have to look only to Britain for goods and services to extinguish that debt, unless the pound sterling can be made exchangeable for the currencies of other countries. That is the situation Britain faces at the end of the war.

What does it mean in terms of world trade? It means that all of the disasters which I began by talking about are more accentuated than they otherwise would be. As the situation stands today, it means that, if Greece wants to deal with Great Britain, it can only deal in terms of sterling. If Great Britain buys something from Greece, all Greece gets is a claim on future British production. It means that Italy, which is in a desperate situation, if it deals with Great Britain, gets only a claim on some possible future production. They get no money they can spend in New York, or Paris, or Rio; they get merely a claim against future British exports.

That is the situation which confronted the British and American negotiators when they came to discuss a credit to Britain. The agreement which they reached was not couched in terms of the United States simply lending some money to the British.

We had a chance—one last, clear chance—to restore world trade, to put it on a basis which would permit someone who sold goods to England to get some money which he could then take and use in Brazil, or the United States, or France. We could then again have a condition of multilateral trade

in which every sale gave you a chance to buy in any market you wanted to in the world, a situation which would increase production everywhere because everybody would have a chance to compete freely in every market.

Or we had a chance of taking a narrow viewpoint. We could have said, "Well, we have done enough for the British. We sent them 25 billion dollars' worth of lend-lease during the war. We did all that and now we have our own problems." The result of that attitude would have been that the British would have been forced to adopt the only alternative open to them—a desperate one which offered no real hope to them or anyone else. It was the alternative of trying to pull the Empire closer and closer together, of saying, "We will make a contract to sell to Australia and they will buy from England. Or, Australia will sell to South Africa and buy from England." Deals within the Empire: That was the alternative.

It was an alternative which would mean a lowered standard of living throughout the world; it would mean lowered markets for the United States. For the prosperity of this country can no more continue in the face of a descending and impoverished world than it could continue in the period of the 30's.

Those were the alternatives and, faced with that situation, some of the criticisms which I hear seem to me to be uninformed and almost frivolous.

Fortunately, those who were charged with the responsibility of negotiating with the British recognized the alternatives which faced us. They said, "It is perfectly clear that over the next period of three to six years the British will have a deficit in their balance of payments."

Now, what is meant by the phrase "balance of payments"? It means that with all the savings that the British have in terms of the currencies of other countries, with all the currencies of other countries they receive from the goods they can sell abroad, they will still not have enough money to buy the essential goods which they have to import into their island. The British have to import goods in order to live. They must import wheat; they must import cotton; they must import the fundamental elements of food and clothing; but they have to do more than that. They have to import machinery and the means of making machinery to convert the factories which have been making Spitfires, and bombs, and artillery, and tanks into factories which make goods both



for domestic and for foreign consumption. They have to do even more than that. They have to import the raw materials which those factories will use in order to make the goods which they can then sell abroad and from which they can earn money in the form of foreign currencies. In other words, a deficit in their balance of payments means that the British bank account, the bank account in which they have the currencies of other countries, won't balance. They will have to draw more checks on that bank account than they have deposits.

It is to nobody's interest that the British be forced into the situation which I spoke about a moment ago. It is to nobody's interest that they cease to buy abroad because they lack the necessary dollars, or francs, or guilders. Nobody makes any money when a customer is unable to buy. If that customer is worthy of credit, it is to everybody's interest that he be carried over the period of his embarrassment. Therefore our negotiators said, "What sum of money is necessary to carry the British deficit in their balance of payments over this period? Of course, the British expect to maintain an austere standard of living; they must cut down on many things their people would like; for a while their standard of living may have to be even lower than it was during the war; but they must still be able to exist; they must still have hope; they must still go forward. Now what is the amount of money that will be required?" That was the question we had to answer. After many calculations, and taking into account loans yet in the offing from Canada and other countries to whom Britain might look for credits, it was determined that \$3,750,000,000 would be the sum which, added to these other credits, would carry the British over the next few years; and that amount was agreed upon.

I said that I wished to discuss two questions tonight. The first was whether it was in our interest to extend a credit to Britain, and I have tried to explain what will happen to us and to the whole future of world trade if we do not extend the credit. The second question related to the terms of the agreement which was reached with the British, and I would like to tell you why I think the provisions which have been agreed upon are fair terms and why they will greatly benefit us.

First let me summarize briefly the repayment provisions of the agreement. The British may draw upon the credit of \$3,750,000,000 until the

end of 1951, and interest payments do not begin until that time. On December 31, 1951 the first payment of interest and a part of the principal becomes due, and such payments continue for 50 years until the entire sum of the principal of the loan plus the interest has been repaid. If in any year the British foreign earnings from exports and other transactions fall below a fixed standard, the British may apply for a waiver of the interest. In applying for a waiver they must agree that they will secure a waiver of interest payments on their debts to other countries, and the International Monetary Fund created by the Bretton Woods agreements must certify that the British foreign earnings are, over an average period of five years, below the standard set by the agreement. If these conditions are met the interest is waived; it is not suspended for payment later, but waived completely.

We do not wish to get into a position such as the one which existed with respect to World War I debts. In the 1920's the British paid us over 2 billion dollars against the debt they had incurred, and, when the depression came and they did not have earnings sufficient to meet their obligations in full, there was no mechanism by which the debt burden could be adjusted to conform to the stubborn facts of the international situation. Default followed, and the problems that it brought have plagued us ever since.

But quite apart from the repayment of the credit with interest, the British have agreed to do a number of other things which are essential to the prosperity of the United States and to the kind of international trade which we as a nation seek.

When our negotiators sat down with the British they said, "We are willing to extend you a credit. But you must agree to a number of other things, so that we may hasten the time when trade can be conducted more freely without the hampering restrictions which, even under the Bretton Woods agreements, you are entitled to impose for a period of five years." After a good many discussions the British obligated themselves to do the following things.

First, they agreed that immediately after the credit becomes available any American doing business with the United Kingdom, any American with investments there on which he receives dividends, any American movie company which has payments due on its films, any American who is



involved in a current transaction with the United Kingdom, is entitled to receive dollars. He will not have to take blocked sterling which he cannot use or which he can only use for certain things; he will receive dollars which he can use freely in any way he chooses.

Second, the British agreed that, at the end of one year, within the sterling area—the area in which British currency is the medium for doing foreign business and which includes the British Empire, except Canada and Newfoundland, plus several other countries—anybody carrying on current day-to-day business transactions and receiving pounds sterling can walk into a bank and exchange pounds for any currency he wants. This is a tremendous step forward.

Third, the British went on to agree that at the end of one year they would not only make pounds convertible into other currencies within the sterling area, but every place else in the world as well. This means that if a Frenchman sells goods to a British merchant and receives pounds, he can walk into a British bank and exchange his pounds for dollars or any other currency. In this way the pound and the dollar can operate as the great mediums of foreign business, free of the controls and limitations which during the war prevented those who sold in British markets from using the proceeds to buy from us or elsewhere in the world.

But the British went still further. They agreed, fourth, that from the effective date of the agreement they would impose no import restrictions which would discriminate against the United States. Of course the British, who will be short of foreign exchange for some time, cannot permit their people to spend dollars and other foreign currencies for luxuries when their needs are so great for essentials such as food, and raw materials, and machinery. But the British do agree that any restrictions they impose upon imports will be nondiscriminatory, and that every country, including the United States, will have a free opportunity of trying to supply whatever the British are willing to purchase abroad. That is all we want. We are confident that American businessmen who are permitted to compete freely for trade will prosper and thrive.

The British did not even stop there. They agreed to a fifth thing of great importance. We took up with them the question of their sterling indebtedness which amounts to some 14 billion dollars. This indebtedness to parts of the Empire

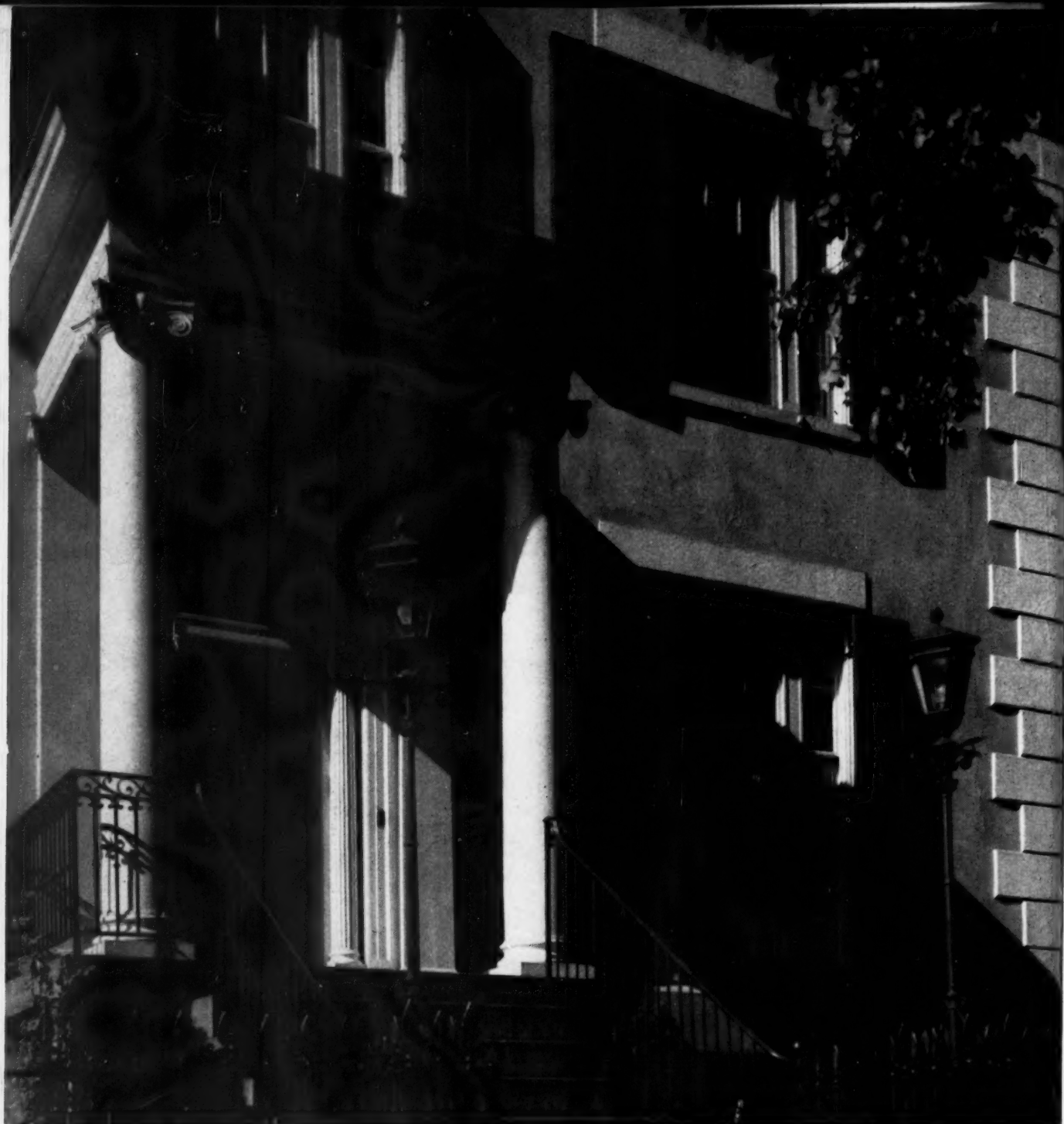
and other sterling-area countries is a very serious problem. It is a tremendous debt which has many trade results that I have already mentioned.

The arrangement we worked out was along these lines. The British agreed that, with respect to a substantial part of the indebtedness, they would negotiate with their creditors to get it written off the books as a contribution to the war. Much of the sterling debt had been incurred in the sterling area for the purchase of war supplies and for services directly related to the war. The countries which extended this credit should consider a large part of it as their contribution to victory. The British agreed that, with respect to an even larger part of this sterling indebtedness, they would seek to convert it into a long-term debt which could be repaid over many years in annual instalments; and they agreed that any payments which they made on this part of the debt could be used by their creditors anywhere in the world. The balance of the sterling indebtedness the British agreed to pay off immediately; and they agreed that the sterling which they pay immediately can be exchanged by their creditors into dollars or any other currencies and used wherever their creditors wish to use it. They did, of course, also agree that they would not use the dollars we are lending them to pay any of these debts.

Those are the obligations which the British have undertaken in the financial agreement with us. They are very large undertakings indeed. Surely no one can say that we are simply lending the British money without getting anything in return.

But we did not stop there. We also secured the agreement of the British to support the trade proposals which were published by this Government last fall. These proposals were put forward with a view toward freeing world trade of discriminatory and hampering restrictions of all kinds. The proposals relate to such matters as the reduction of imperial preferences comparable to the reductions in our tariff, the lifting of quantitative quotas and embargoes of a discriminatory nature, the limiting of subsidies on exports to exceptional and well-defined cases, the elimination of restrictions on the commerce of the world by cartels and combines through international action, the handling of the difficult special problems of surplus commodities, the creation of an international trade organization under the Economic and Social Coun-

(Continued on page 329)



Photograph by Jean St. Thomas

## 1651 Pennsylvania Avenue

**W**HEN THE UNITED STATES GOVERNMENT bought the Blair House in 1942 it acquired a large slice of American history; for the Blair House is an almost perfect epitome of American life. The manner of its building, its structure, and its interior decoration, its situation at 1651 Pennsylvania Avenue across the street from the

White House and near the center of the political life of the country, and the historical importance of the men and events connected with the house all contribute to making it thoroughly characteristic of the larger pattern of American life.

The development of American ideas of beauty and suitability has dictated the adaptations and

additions that have been made from time to time in the house, and its present aspect represents the changing taste of the country at large as well as that of succeeding generations of the members of the Blair family. As it originally stood in 1824 it was a modest two-story dwelling built after the same model as scores of eighteenth-century houses which are still standing in many New England towns rather than after the style of the Greek revival which was already beginning to be fashionable at that time. When Francis Preston Blair bought it in 1836 he undertook certain major repairs and alterations which did not, however, materially affect the outward appearance. Further modifications were made, and a third story was added by his son, Montgomery Blair, and during the occupancy of Gist Blair, the son of Montgomery Blair and the grandson of the first Francis Preston Blair, the present exterior and interior arrangements of the house took form.

For many years the Blair House was the only building in what is now the block between Seventeenth Street and Jackson Place, and the area was laid out in flower and fruit gardens; but during the years when Montgomery Blair was living there, immediately before and after the Civil War, the whole block fronting on Pennsylvania Avenue was built up. The Lee House adjoining the Blair House on the west was built for Elizabeth Blair Lee, the daughter of the elder Francis Preston Blair and the sister of Montgomery Blair. In 1843 Elizabeth—Betty—had been married to Samuel Phillips Lee of the Stratford branch of the great Lee family of Virginia and an officer in the United States Navy, afterwards a rear admiral.

The building on the corner of Pennsylvania Avenue and Seventeenth Street, now the United States Court of Claims, was erected by William Corcoran for the Corcoran Art Gallery. The building was begun in 1859, but during the Civil War it was occupied by the Quartermaster General of the United States Army, and it was not finished and used as an art gallery until 1872. In 1901 it was purchased by the United States Government. The Corcoran Gallery of Art had been removed to its present situation on Seventeenth Street between E Street and New York Avenue and had been opened to the public there in 1897.

The house to the east of the Blair House across the alley, whose entrance is on Jackson Place, was built very much as it is now by Peter Parker after

#### Article by KATHARINE ELIZABETH CRANE

Dr. Crane is a Divisional Assistant in the Division of Research and Publication, Office of Public Affairs, Department of State. The Department released on February 23, *Blair House, Past and Present: An Account of Its Life and Times in the City of Washington*, with 16 illustrations in gravure, written by Dr. Crane under the direction of Dr. E. Wilder Spaulding, Chief of the Division of Research and Publication, and Mr. Stanley Woodward, Chief of the Division of Protocol. Before she came to the Department of State, Dr. Crane was assistant editor of the *Dictionary of American Biography* and assistant editor of the *Encyclopaedia of the Social Sciences*. The illustrations in the book are from photographs by Mr. Jean St. Thomas. The publication was prepared for presentation to distinguished foreign visitors who are officially entertained by the United States Government at the Blair House. An edition has been printed for public sale and distribution.

he came home from China. He had been one of the earliest of the American medical missionaries in China, and, while all the time continuing the missionary practice of medicine, he had been drawn into service in 1844 as secretary to Caleb Cushing in the negotiation of the first treaty between the United States and China and later served as secretary to the American Legation at Canton. He returned to the United States in 1857 and died in 1888.

The changes made in the Blair House during the occupancy of Gist Blair were extensive. The fourth story was added; the grounds were regraded to accord with the lowered level of Pennsylvania Avenue; and the handsome wrought-iron lamps and iron fence were set in their present place framing the graceful doorway. A basement vault for storage and service was built out from the back of the house with two or three feet of earth thrown over the construction to provide for the garden enclosed by the brick walls of the surrounding buildings, which is all that is now left of the once extensive pleasure grounds around the house.

Inside the house, woodwork and mantels, taken from houses in Portland, Me., which were some years older than the Blair House, were installed in the dining room and in the room to the right of the front door that was used by Montgomery Blair as an office and is traditionally the room to which President Lincoln came to sit and plan with the



Blairs at various times during the anxious years of the Civil War. The woodwork and mantel in the old "office" were taken from the Asa Clapp House, which was built in 1797. That in the dining room was taken from the Churchill-Ingraham house built in 1801 and one of the earliest houses planned by the architect Alexander Parris, who was later the architect for St. Paul's Church on Tremont Street in Boston, a church building which in the architectural history of the United States marks the end of the colonial tradition and the beginnings of the age of classic revivalism. Under Gist Blair's anxious eye Charles Over Cornelius, curator of the American Wing of the Metropolitan Museum in New York City, planned and directed the execution of the entire design for the upstairs library and the green and gold lined sitting room on the third floor which Gist Blair used as his own study.

A roster of the names of the men who have gone in and out of the Blair House door would constitute a long and at least partially complete list of the Nation's politically famous. All but four or five of the men who have been President during the years of its existence have visited there. In the years when the political importance of the Blairs was at its height nearly all the men who became leading candidates for the Presidency were familiar to this house: in the fateful election year of 1860 notably Abraham Lincoln, the successful candidate; John C. Breckinridge, the nominee of the extreme Southern party, a kinsman of the Blairs and a friend of long standing in spite of growing political differences; Stephen A. Douglas, the regular nominee of the opposition party; William H. Seward who became Lincoln's Secretary of State; and Salmon P. Chase who became Secretary of the Treasury. Jefferson Davis, the President of the Confederacy, was a lifelong friend of the Blair family in spite of the bitter differences of politics and war. Such other important aspirants to the Presidency as Henry Clay, Daniel Webster, Thomas Hart Benton, and his son-in-law, John C. Frémont, were all friends of the house. The defeated candidate in the most bitterly fought of all the presidential elections, Samuel A. Tilden, was a close political friend of Montgomery Blair, who after the election of 1877 refused to accept the legal validity of the election of the successful candidate, President Rutherford B. Hayes.

Long after the Blair family had ceased to wield great political power, they enjoyed close social re-

lations with the White House. President Taft felt so completely at home in the Blair House that on one Inauguration Day after he became Chief Justice of the Supreme Court he left his place in the midst of the official festivities, and, easing his large bulk under the ropes that had been put up to restrain the crowds watching the inaugural procession, he climbed the steps to ring the doorbell of the Blair House and unexpectedly to join the gay Inauguration Day party being given there by Gist Blair.

The names of the women who came within the wide circle of the hospitality of this house form an equally notable group. Among those visitors whose names still live in history were Mrs. Stephen A. Douglas—Adele Cutts—grandniece of Dolly Madison and granddaughter of Mrs. Richard Cutts, who belonged to the same social group as the Lovells in the years when they lived in the house; and Kate Chase Sprague, the daughter of Salmon P. Chase, who was for many years a figure in the streets of Washington, young and beautiful and old and broken. Varina Davis—Mrs. Jefferson Davis—was a close friend of this house; and it was to the Blairs that she appealed when the Civil War was over and Jefferson Davis was imprisoned and suffering at Fortress Monroe; and to this house came also Jessie Benton over and over as girl and woman, the daughter of Thomas Hart Benton and the fabulous wife of John C. Frémont.

The place of the house in the history of this country is also apparent from any consideration of the names and positions of the men who have lived there. The visits of the distinguished foreign leaders who have been entertained there by the Department of State since it became the official guest house of the Nation, and even the fact that after the death of President Roosevelt it was the home of President Truman for the first weeks of the new administration, constitute only a continuation of the hospitality it was able to offer during all the years of its private ownership.

It was built on land that Commodore Stephen Decatur had purchased for his own grounds when he came to Washington to settle down and invest the prize money won by his brilliant victories in the wars against the Barbary Pirates. The builder of the house and its first owner, Dr. Joseph Lovell, was a man whose family was closely identified with the American Revolution in the Colony and later the Commonwealth of Massachusetts and with the



foundation of the Republic. Dr. Lovell himself had served as a surgeon in the War of 1812 and had recently become the first Surgeon General of the newly reorganized United States Army. During the twelve years they lived in the house the Lovells played their part as charming and influential members of the small aristocratic group of leaders who dominated the life of the city.

The second owner, Francis Preston Blair, was one of the prime movers in the rise of Jacksonian Democracy. He came to Washington shortly after Jackson's inauguration, was a member of what has been called the Kitchen Cabinet, and served the President long and well. For half a century Blair, his two sons, Montgomery and the younger Francis Preston Blair, and other lesser connections of the family exercised preeminent influence as makers of American political policy. The Blair family has been spoken of as "perhaps the most influential family in the country."

During a brief period of time, 1845 to 1852, the Blair House was rented to a series of eminent tenants: an Acting Secretary of War, two Secretaries of the Navy, a Secretary of the Treasury, an Attorney General, and a Secretary of the Department of the Interior. It was during the time when George Bancroft was living in the house that as Acting Secretary of War, in May 1845, he signed the order causing Gen. Zachary Taylor to cross the Texas frontier with his troops, leading directly to the Mexican War, and as the Secretary of the Navy he issued to John Drake Sloat, Commander of the Pacific Squadron, the order, dated June 24, 1845, which brought about the American occupation of San Francisco and other California ports north of Santa Barbara.

In all the long struggle that led up to the Civil War the Blairs were leaders in opinion and in activity. Themselves each born in a slave State and completely accustomed to the system of slavery, they nevertheless realized very early that the issue was the cause of essential conflict and apparently almost without hesitation chose to adhere to the anti-slavery side of the rising quarrel. During one of the early debates over the possible repeal of the Missouri Compromise the elder Blair saw the implications of a controversy that was leading to war and in a dramatic scene—at the Blair country place, Silver Spring, rather than at the town house on Pennsylvania Avenue—warned his friend and kinsman John C. Breckinridge

against supporting such a measure: "John, if you do it, you will live to see this country deluged in blood one end to the other."

When the Civil War came the Blairs were in positions of power and responsibility. The newly elected President, Abraham Lincoln, gave the elder Blair one of the three or four advance copies of his first inaugural address with a request for criticism and suggestion. Montgomery Blair became Postmaster General in Lincoln's Cabinet. The younger Francis Preston Blair was elected to Congress from Missouri and was commissioned major general in the Union Army; and, alternately, as the exigencies of the war seemed to demand his attention in one or the other capacity, occupied his seat in Congress, took an active and successful military role in the field, or devoted himself to the various aspects of the political situation in Missouri.

Their political and business interests in the three States, and their family connections, administered from the family home on Pennsylvania Avenue, enabled the Blairs to bring great influence to bear on the political decisions of three pivotal States, California, Maryland, and Missouri—two of them Border States with strong Southern feeling. Later in the Civil War when the anti-slavery party's success in controlling the Border State of Missouri was already seen to be an important factor in determining the success of the Union, President Lincoln spoke feelingly of the predominant position of the Blairs in the contest. "As you know, they labored for ten years to build up an anti-slavery party in Missouri, and in an action of ejectment to recover the party in the State, they could prove title in any common law court".

The house continued to be the scene of political planning. At the outbreak of the Civil War Robert E. Lee, then a colonel in the United States Army, came there at the request of the elder Blair to discuss Lee's obligations of loyalty to the United States and to the Commonwealth of Virginia as they affected his fitness and his willingness to command the Union armies. Two days later Lee took the final step of submitting his resignation from the United States Army.

Later in the war David Glasgow Farragut came to this house for a breakfast-table meeting at which it was decided that he should be given the opportunity to command the Union forces against

(Continued on page 331)

# The Economic and Social Council of the United Nations

## U. S. RESOLUTION ON TRADE AND EMPLOYMENT

*Text of resolution adopted on February 18, relating to proposed general world conference on trade and employment which was introduced in the Economic and Social Council by the United States Delegation to the United Nations*

1. The United Nations have already taken important steps toward the establishment of international machinery for the promotion of economic cooperation among nations with the object of preventing and removing economic and social maladjustments, of achieving fairness and equity in economic relations among states and of raising the level of economic well being among all peoples. The Food and Agriculture Organization of the United Nations, the International Monetary Fund and the International Bank for Reconstruction and Development have already been established as contributions in their respective fields toward the achievement of these objectives. The Economic and Social Council has been established as the agency for integrating the activities of all of these agencies into an effective whole.

2. It is essential that the cooperative economic measures already taken be supplemented by further measures dealing directly with trade barriers and discriminations which stand in the way of an expansion of multilateral trade and by an undertaking on the part of nations to seek full employment.

3. Cooperative action with respect to employment and to trade barriers and discriminations is indispensable to the success of such other measures as those dealing with monetary and exchange stability and the flow of investment capital. Effective action in regard to employment and to trade barriers and discriminations must therefore be taken or the whole program of international economic cooperation will fail and an economic environment conducive to the maintenance of peaceful international relations will not be created.

4. The Government of the United States has proposed that the United Nations should call such a conference in 1946 and has published a set of

proposals for the expansion of world trade and employment for consideration by the peoples of the world and to serve as a basis for discussion in an international conference in the belief that previous international conferences in the field of commercial policy have had but limited results because they were for the most part confined to policies in the abstract and not closely enough integrated with arrangements for concrete action.

The United States Government has further invited a number of governments to meet together for the negotiation of reductions of specific trade barriers and discriminations in advance of the general international conference. Similar negotiations are to be proposed to all other countries of like mind as rapidly as possible.

5. These initiatives have been welcomed by a number of delegations in the opening debate of the General Assembly.

6. The Economic and Social Council has been authorized in general by Article 62 of the Charter of the United Nations to call international conferences on matters falling within its competence and specifically by supplementary rule T of the Provisional Rules of Procedure of the General Assembly to call a conference on international trade and employment. The Economic and Social Council therefore:

A. Agrees in conformity with supplementary rule T to sponsor the convening in the latter part of 1946 of an International Conference on Trade and Employment for the purpose of promoting the expansion of the production exchange and consumption of goods.

B. Proposes that the major chapters of the agenda of this conference be as follows:

a. International agreement relating to the achievement and maintenance of high and stable levels of employment and economic activity.

b. International agreement relating to regulations restrictions and discriminations affecting international trade.

c. International agreement relating to restrictive business practices.

d. International agreement relating to inter-governmental commodity arrangements.

e. Establishment of an international trade organization to be a specialized agency of the United Nations having responsibilities in the fields of (b) (c) (d) above.

C. Hereby constitutes a preparatory committee of the Economic and Social Council to elaborate an annotated draft agenda including a draft convention for consideration by the conference taking into account suggestions which may be submitted to it by the Economic and Social Council or directly by members of the United Nations. The

members of this committee shall consist of representatives designated by the governments of the countries referred to in paragraph 4 above and of two other countries members of the Economic and Social Council designated by the Council. A representative of the Secretariat of the Council shall participate without the right to vote in the meetings of the Committee.

D. Requests the President of the Economic and Social Council to confer with members of the Council and with the Secretary General with a view to reporting to a subsequent session of the Council recommendations as to what states if any not members of the United Nations should be invited to the Conference on Trade and Employment.

## Conference of Economic Counselors and Advisers to United States Missions in Europe

### PARIS

*January 28–February 2, 1946*

The Conference was called by the Department of State for discussion and explanation of the paramount economic and financial problems and policies dealing with the European area. The host Embassy arranged for discussions to be held in the Salon des Aigles, Hotel Crillon.

Delegations from 22 of the 25 European Missions and Treasury representatives from three Missions attended the Conference. Frank W. Fetter, Acting Chief of the Division of Investment and Economic Development, and Fisher Howe, Special Assistant to Mr. Clayton, attended from the Department. In all, approximately 60 officers were in attendance. A secretariat was composed of members of the Paris and London Embassies.

Jefferson Caffrey, American Ambassador to France, opened the Conference. The Ambassador later in the week gave a reception for all the delegates.

Livingston T. Merchant, Minister-Counselor for Economic Affairs at Paris, was designated Chairman and the appointment of the following other officers was made by the Conference: Arthur Bliss Lane, American Ambassador to Poland as honorary Chairman, and Harry C. Hawkins, Minister-Counselor for Economic Affairs at the American

Embassy, London, Thomas C. Blaisdell, Jr., Minister and Chief of Mission for Economic Affairs, and William Taylor, Principal Treasury Representative in Europe (unable to attend) as Vice Chairmen.

### *Agenda*

The following subjects were included in the agenda, though the discussion did not follow the order listed:

1. Proposals for World Trade and Employment (Hawkins)
2. American Financial Policy (Fetter)
  - a. British Loan
  - b. Export-Import Bank
  - c. Bretton Woods
  - d. Lend-Lease Legislation
  - e. Surplus Property
3. Emergency Economic Organizations (Blaisdell)
  - a. European Coal Organization
  - b. European Central Inland Transport Organization
  - c. Emergency Economic Committee for Europe



## 4. Resumption of Trade

- a. Reconstruction of Europe with particular reference to Russia
- b. Bilateralism in Europe
- c. American Businessmen
- d. Industrial Reporting

## 5. Miscellaneous

- a. Safehaven and Reparations
- b. UNRRA
- c. Post-war Combined Board Problems
- d. Telecommunications
- e. Administrative and Personnel Problems

*Course of Discussion*

The delegate most familiar with each subject lead the discussion on each topic.

Discussion took the form, in some instances, of detailed explanation of particular policies or proposals. This was followed by discussion of the application of the policies to the several areas and to related problems that arose from the policies, particularly in regard to trade and financial policy. In other instances, the discussion took the form of a round-table discussion led by selected delegates.

The Conference was of real benefit and usefulness, both to the economic officers in the field and to the representatives of the Department. The direction of the discussion indicated that there was some ignorance and misunderstanding of the American position in certain economic policies and of the problems being faced, a large number of which seemed to be cleared up to the satisfaction of the delegations. One outstanding example of this was in the "Proposals for World Trade and Employment", where explanations by Mr. Hawkins of the intent and reasoning involved in certain passages radically changed the understanding and outlook of certain Missions to the proposals. The discussions indicated the need for closer liaison between the Department and the field.

Great benefit seemed to be derived, too, from the discussion of the application of problems and policies to certain areas which were either in common to all Europe or varying with each country.

The able handling of the meetings by the Chairman, and the careful organization of the meetings, including the distribution of necessary documents, made a major contribution to the success of the Conference.

The following officers represented their Missions at the Paris conference of economic counselors and advisers:

<i>From</i>	<i>Name</i>
Ankara-----	Edward B. Lawson, Counselor of Embassy for Economic Affairs
Athens-----	William Witman, 2d, Asst. Commercial Attaché
Belgrade-----	Harold Shantz, Counselor of Embassy Albert E. Evans, Senior Economic Analyst
Berlin-----	John W. Tuthill, Foreign Service officer Miss Joan Clark, Mr. Tuthill's Secretary Froelich G. Rainey, Senior Economic Analyst
Bern-----	Marcel E. Malige, Commercial Attaché
Brussels-----	Raymond C. Miller, Counselor of Embassy for Economic Affairs (Treasury) Matthew Marks, U. S. Treasury Representative
Budapest-----	L. Laszlo Ecker-Racz, Senior Economic Analyst
Copenhagen----	George Carlson, Commercial Attaché
Lisbon-----	Charles E. Dickerson, Jr., First Secretary Theodore A. Xanthaky, Special Assistant to the Ambassador and Attaché
London-----	Thomas C. Blaisdell, Jr., Minister, Chief of MEA (Mission for Economic Affairs) Harry C. Hawkins, Minister-Counselor for Economic Affairs (Mrs. Hawkins, Miss Hawkins) Theodore Geiger, Executive Officer, MEA William M. Tomlinson, U. S. Treasury Representative Paul Porter, U. S. Representative, MEA Daniel Hopkinson, Assistant to the Minister Mrs. Edith Tilton Penrose, Adviser to Ambassador Winant Donald B. Calder, Third Secretary (Mrs. Calder) Miss Ruth Beatrice Russell, Economic Analyst, MEA Mrs. Badham, Secretary to Mr. Blaisdell Honore M. Catudal, Special Assistant to Mr. Hawkins Avery F. Peterson, First Secretary Herbert Fales, Second Secretary of Embassy
Madrid-----	Harold M. Randall, Commercial Attaché Harold Rhodes, Commercial Attaché
Moscow-----	Horace H. Smith, First Secretary Thomas P. Whitney, Attaché
Oslo-----	H. Lawrence Groves, Counselor of Embassy for Economic Affairs
Praha-----	James F. Hodgson, Counselor of Embassy for Economic Affairs William Diamond, Senior Economic Analyst
Rome-----	Charles A. Livengood, Counselor of Embassy for Economic Affairs

Rome.....	Myron L. Black, Shipping Adviser H. Gardner Ainsworth, Third Secretary
Stockholm.....	Donald W. Smith, Commercial Attaché M. Gordon Knox, Third Secretary
The Hague.....	Jesse F. Van Wickel, Commercial At- taché
Tirana.....	George D. Henderson, Secretary
Vienna.....	Mrs. Eleanor L. Dulles, Senior Economic Analyst Frederick H. Bunting, Senior Economic Analyst
Warsaw.....	Arthur Bliss Lane
Washington, D. C.	Frank W. Fetter, Chief, Economic Invest- ment and Development Covey Oliver, Reparation Commission Fisher Howe, Special Assistant to As- sistant Secretary

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**ACHESON**—Continued from page 321

cil of the United Nations, and the efforts to provide full and regular employment in each country by domestic action which will avoid harmful effects on the employment situation in neighboring countries.

Without the credit which we have agreed to extend to the British, it would be wholly impossible for them to undertake the commitments included in the financial agreement and quite beyond their capacities in the next few years to support our proposals for securing a multilateral trading system in which the businessmen of the United States can freely compete for the markets of the world.

And yet even this was not all that was agreed upon in our negotiations with the British. We had also to think of the lend-lease and reciprocal-aid accounts and of the United States surplus property in the United Kingdom. This was a problem which might easily have been bungled, and which might have hung on to strain and endanger and complicate our relations for decades.

During the course of the war we had sent to the British on lend-lease about 25 billion dollars' worth of goods. These goods ranged from tanks, and planes, and shells to food, and blankets, and medical supplies. But the greater part of the total had been either blown up or used up in our common effort against the enemy. At the end of the war there still remained a sizable amount of goods. Some of these were of a military nature, some civilian. There was also a very sizable amount of surplus property in the United Kingdom, much of which had little value. The British might have said to us, "We wish now to return to you every-

thing that is left and you may take it away with you", but if they had done that we would have been faced with the absurd situation of packing up all of these supplies and paying enormous amounts in freight and service charges to bring them home. It would have been absurd for another reason, since the British had a use for many of the goods which were there. And, of course, we had large quantities of supplies which we had received from the British on reverse lend-lease. These supplies were in the hands of our armed forces all over the world.

What we did was to look at all that remained in their hands and in ours and agree with the British upon a value for all of it. When the accounts were balanced, it was found that the British owed us 650 million dollars, and the British agreed to pay us that amount. This will be paid on the same terms as those provided in the financial agreement—in 50 annual instalments. The entire slate has now been wiped clean. What we received for those goods which were destroyed or consumed is the effort which our Ally was able to put forth in winning the war, and that is enough. We have made a fair settlement for what was left, and that should be very heartening to the American people who always wished that lend-lease should be a great war-mechanism and that it should be promptly and fairly settled at the war's end.

I think you will agree that we found solutions to a very considerable number of difficult problems. What we attempted to do in the negotiations with the British was to reach a settlement of all of the outstanding financial and commercial problems which confronted us. We thought it was appropriate that we secure a settlement of all of these problems in connection with the granting of a large credit to the United Kingdom. We did not think it was appropriate to try to use the lever of the credit to practice dollar diplomacy in fields quite unrelated to financial and commercial questions. Questions of territorial sovereignty and other political matters are not subject to solution by such methods.

What we have done is to arrive at an understanding with a nation whose position in world commerce is unique, to move forward towards the removal of controls and restrictions which hamper and reduce international trade, so that both we and other nations may prosper in an expanding world economy.

# *International Organizations and Conferences*

## Calendar of Meetings

<b>The United Nations:</b>		
General Assembly	London	January 10-February 15
Security Council	London	January 17-February 16
Economic and Social Council	London	January 23-February 18
Council of Foreign Ministers: Meeting of Deputies	London	January 18 (continuing in session)
North American Regional Broadcasting Engineering Conference	Washington	February 4 (continuing in session)
Anglo-American Committee of Inquiry	Cairo	Hearings opened on about March 1; hearings closed in Germany and Austria on February 23.
International Cotton Study Group: Subcommittee of the International Advisory Committee	Washington	February 18-23
West Indian Conference	St. Thomas, Virgin Islands (U.S.)	February 21 (continuing in session)
Extraordinary Meeting of the Directors of the International Meteorological Services (IMO)	London	February 25-March 2
Far Eastern Commission	Washington	February 26
Regional Air Navigation Conference	Dublin	March 4
International Monetary Fund and the International Bank for Reconstruction and Development: Boards of Governors	Wilmington Island, Ga.	March 8
Fourth Session of the UNRRA Council	Atlantic City	March 15
Preliminary Meeting of Conference on an International Health Organization	Paris	March 15

The dates in the calendar are as of Feb. 24.

## Activities and Developments

**The West Indian Conference,**<sup>1</sup> which opened its three-week second session on February 21 at St. Thomas in the Virgin Islands of the United States, is believed to be the first international convention of delegates from non-self-governing territories.<sup>2</sup>

Two delegates from each of 15 Caribbean territories will participate in the second session, which occurs two years after the first session, held at

Barbados, B.W.I. Accompanied by advisory staffs, the delegates represent territories of four metropolitan Governments: Great Britain, France, the Netherlands, and the United States. Conference conclusions will be submitted to the Caribbean Commission, which in turn will submit them to the metropolitan Governments.

The Commission was created on March 9, 1942 as the Anglo-American Caribbean Commission in a joint communiqué issued at Washington and London. The West Indian Conference was inaugu-

<sup>1</sup> Released to the press Feb. 21.

<sup>2</sup> For message to the Conference from President Truman and address by Mr. Taussig, see p. 332.



rated in March, 1944, under the Commission's auspices. Announcement of the expansion of the Commission to include French and Netherlands sections was made on December 20, 1945.<sup>3</sup>

The territories represented at the Conference, which the Commission will attend in an advisory capacity, follow:

Great Britain: Bahamas, Barbados, Jamaica, Trinidad, British Guiana, British Honduras, Leeward Islands, Windward Islands.

Netherlands: Curaçao, Surinam (Dutch Guiana).

France: Martinique, Guadeloupe, French Guiana.

United States: Puerto Rico, Virgin Islands.

**The Far Eastern Commission** will hold its first meeting since its return to Washington at 10:30 a. m. on Tuesday, February 26, in the offices of the Commission at 2516 Massachusetts Avenue. The Secretary of State will address the members of the Commission at that time.

**Boards of Governors.** The first meetings of the Boards of Governors of the International Monetary Fund and the International Bank for Reconstruction and Development will begin at the General Oglethorpe Hotel, near Savannah, Georgia, on March 8, 1946. The meetings which are expected to continue for about two weeks are being held for the purpose of establishing the two institutions. The meetings will consider the following:

1. Adoption of bylaws of the Fund and Bank.
2. Selection of a permanent site for the Fund and Bank.
3. Election of the 7 elective directors each of the 12 executive directors of the Fund and Bank.
4. Consideration of terms and conditions of admission of new members.
5. Consideration of U.S. proposal permitting admission to membership during a limited period of time of signatory countries which did not ratify by December 31, 1945.

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**CRANE**—Continued from page 325

the Confederates at New Orleans, an undertaking whose unqualified success opened the way for all the further Union operations on the Mississippi River, the division of the South into two parts, and the prevention of the transfer of Confederate men or materials between the eastern and western portions of the Confederacy. Farragut was commissioned admiral, a grade especially created for him, and he acquired a preeminent position in the United States Navy comparable to that which Nelson has had in the British Navy.

After the war was over and almost at the end of the long bitter Reconstruction Period a notable dinner was given at the Blair House for Wade Hampton, the South Carolina hero of the Confederacy and of the Reconstruction Period. There for the first time since the war many Northern leaders renewed their connections with Southern leaders; old friendships were revived across the tragic memories of the late war; and new plans were made for the return of political peace and united prosperity.

Nevertheless, in spite of all the dramatic array of important events in the life of the Blair House, there is one small almost unknown episode out of all the others which at this particular mo-

ment of time can be said to constitute the dearest claim of the house to represent within itself the life of the American people. It was a scene that has had its modern counterpart over and over again in the recent months of war's end. William Tecumseh Sherman, not yet—but to become—the famous General William Tecumseh Sherman, was married in this house, and to this house he came to claim his bride, Ellen Ewing, whose father, the first Secretary of the Department of the Interior, had rented the house from the Blairs. They had been separated, and their engagement had lengthened to seven years on account of the Mexican War, a series of Indian Wars, and the necessities of garrison duty in the Far West. In the late winter of 1850 he was sent east with official despatches. Without time or opportunity to give advance notice of his coming he made his way up Pennsylvania Avenue toward the Blair House. Ellen was in the back drawing-room feeding her canary. She heard a noise in the street and recognized the dearly remembered steps coming toward the house. She turned and was at the door. There he was—her lover home from the wars!

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<sup>3</sup> BULLETIN of Dec. 23, 1945, p. 1023.

## *Record of the Week*

### Second Session of the West Indian Conference

#### *Message From* **PRESIDENT TRUMAN**

MY DEAR MR. TAUSSIG:

As you know, I have been deeply interested in the work of the Caribbean Commission, formerly the Anglo-American Caribbean Commission. As a consequence of that interest, I am naturally most happy that the United States of America is to be the host nation at the Second Session of the West Indian Conference. I take this occasion to ask that you, in your capacity as Chairman, convey to the Conference not only my warm greetings but my sincere best wishes for a most successful Session. I further ask that you bring the following message to the Conference:

The policy of the United States with respect to the governments and peoples of the non-self-governing territories of the Caribbean region will be guided by the following basic tenets:

1. To encourage the effective application, by all practicable means, of the fundamental principles set forth in Chapter XI of the Charter of the United Nations, entitled "Declaration Regarding Non-Self-Governing Territories", to the end that the progressive development of the peoples of the region in political, economic, educational, and social matters shall be insured. This Government takes the view that members of the United Nations which have responsibilities for the administration of non-self-governing territories in this region have undertaken a solemn obligation in this respect, and notes with particular satisfaction that in all such territories the interests of the inhabitants are to be regarded as paramount.

2. To support the work of the Caribbean Commission to the end that problems of the region may be approached as a whole, and not piecemeal.

The above text of the President's message was released to the press on Feb. 21.

Such support will strengthen this multilateral governmental organization, which offers procedures for constructively attacking regional problems. The Caribbean Commission, formerly known as the Anglo-American Caribbean Commission, has been recently expanded to include the Governments of France and the Netherlands. The Government of the United States looks with satisfaction on this expansion. It anticipates increasing participation in the work of that Commission by the peoples of the territories of the four countries concerned.

This Government looks forward to an increasing measure of self government by the people of the Virgin Islands of the United States. With respect to Puerto Rico, it has been recommended to the Congress of the United States that it provide a means by which the people of Puerto Rico might choose their form of government and ultimate status with respect to the United States.

3. To assist, by appropriate action, in carrying out the economic objectives recommended by the First Session of the West Indian Conference held at Barbados in March 1944. Steps to effectuate these objectives received Presidential approval on June 11, 1945, and were included in a Joint Statement of the Governments of the United States and of the United Kingdom later made public.

4. To support any suitable plan which would bring the non-self-governing territories of the Caribbean region into closer cooperation with each other, with a view to developing the educational, social, and cultural institutions of the region, improving the standards of living of the people, and strengthening the foundations upon which self-governing institutions may be developed.

Sincerely yours,

HARRY S. TRUMAN

**Address by CHARLES W. TAUSSIG**

YOUR EXCELLENCY; FELLOW COMMISSIONERS; DELEGATES TO THE WEST INDIAN CONFERENCE; LADIES AND GENTLEMEN: You have just heard a significant message from President Truman. It is fitting to recall that another great leader played an important part in the creation of this Commission and this Conference. Franklin Delano Roosevelt knew and loved the Caribbean. He knew your problems and believed in the future of the West Indies. The spirit of his leadership will be a constant inspiration to us in the work that lies ahead.

History tells us that the past always impinges on the present. Nothing we here undertake, no matter how sincere our motives nor how wise our decisions, can abruptly be disassociated from that which has gone before. We are confronted with this fact at every turn in the road that leads to social and economic betterment for the people of the Caribbean. Always the old plantation system with its unsavory by-products casts a grotesque pattern across our path. As we move forward these shadows become less distinct, their evils less menacing, and our progress more rapid.

Part of the West Indian Conference will be devoted to a review of the progress we have made—and it is considerable; another part will consider the basic problems of West Indian economy and society; and a third will concern itself with specific recommendations for projects promptly to be undertaken.

We will come to these discussions with a new sense of maturity because of our experience in the Caribbean during the past four years, and because of a new approach to world unity through the United Nations Organization. The United States and Great Britain have welcomed two new associates into this regional fellowship. With France and the Netherlands as full-fledged members of the Caribbean Commission and with 15 Caribbean territories represented in the Conference, new horizons of organization and opportunity will open up to us. We will have to devise effective machinery for the expanded organization. We will have to put into practice in peacetime the aims and ideals which could not be realized in time of war. We will have to show the world that in this relatively small Caribbean cosmos great nations and small territories can plan their re-

gional life in friendly cooperation. If we are successful, the troubled world will gain new hope from our achievement. The details of these plans and the failures and accomplishments of the past will be discussed at length by the delegates to this Conference in the next three weeks. It is not my purpose here to review those plans or to anticipate those discussions. My few words to you now will deal with another subject, one not now on our agenda, a problem less concerned with countering the evils of the past than with successfully overcoming a menace of the future.

As we gather here today we are confronted with a new problem, one that is so fantastic, so apparently unreal, that we barely recognize it as the immediate and urgent concern of this Conference. I refer, of course, to the atomic bomb, the weapon that offers the world the alternatives of durable peace or extinction. Through the centuries man has striven for peace. All of his efforts have resulted in failure. Now we are confronted with the awful implications of this new knowledge. We must make another effort to obtain a lasting peace, a cooperative effort of a magnitude beyond anything that has gone before. Failure this time means obliteration. But if we succeed we have the assurance of scientists that atomic energy can be made to yield unprecedented benefits to mankind. This new effort towards peace will compel many social, political, and economic adjustments. The part that the Caribbean must play is not only of importance to the area itself, but to the world at large. For at this point in history when distance and mere armed might do not assure safety, the problems of each part of the world are vital to all others. Even before the atomic bomb came into being it was recognized that there cannot be peace while the maladjustments of one part or another of this steadily shrinking world go uncorrected.

The Caribbean Commission and the West Indian Conference have been doing their part to focus attention upon and help solve the difficulties that beset this region. We have met with some

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The above address was delivered before the opening plenary session of the West Indian Conference on Feb. 21 in St. Thomas, Virgin Islands (U. S.) and was released to the press on that date. Mr. Taussig, chairman of the U. S. section of the Caribbean Commission, is chairman of the Conference. For other information on the Conference see page 330.



measure of success. The task still ahead is tremendous. We must continue to think these problems through. We must continue to have conferences to discuss, to argue, to disagree—and ultimately to agree upon solutions. But in our desire to be logical and thorough we must not overlook the fact that the great menace confronting us today demands speed and more speed in achieving our objectives.

What are these objectives? We have repeated them over and over again, "social, economic, and political progress". These objectives are not mere abstract ideals when translated into better-fed, better-clothed, and better-educated human beings. But these practical reforms can become mere palliatives unless built on the foundation of essential human rights. Nowhere on this agenda and at no time in our previous conferences, do we find any specific mention of human rights. The race we are running against atomic energy cannot be won alone by economists, scientists, or politicians. We the people must define—and precisely—the goal of human aspirations that we seek. There is a unifying purpose in the world today which, if properly expressed, can serve as a guide for those whom we choose as our leaders. This purpose is to be found in the fundamental and simple desires of the common man. I do not exaggerate when I say that these desires are simple. They become complex only when we awkwardly translate them into complicated political and economic formulas.

Mankind requires two well-defined charters which shall be basic for all that we strive to attain. One is a bill of human rights, a simple statement of what an individual may require of his fellow men to live his life in security and happiness. The other is a bill of human obligations, a statement of the sacrifices that must be made by an individual to assure these basic rights to his neighbor.

There is a growing conviction, supported by many scientists and technicians, that the only real defense against the misuse of atomic energy is to be found in the spiritual awakening of mankind. Our hope for security lies not in the field of science, but in the realm of morals.

I believe that the people of the Caribbean might well take a leading part in formulating these charters. For here live together representatives of most of the peoples of the world—Africans, Europeans, Americans (North and South), East

Indians, Chinese, and many others. Some of the great religions of the world are represented here—Hindu, Mohammedan, Christian, Confucianist and Jewish. No charter of human rights nor its corollary, a charter of human obligations, can have world acceptance unless derived from the wisdom, the philosophy, the ethics, and the religious aspirations of all the peoples of the world. The time has come, I think, for the West Indian Conference to give its attention to this fundamental problem. Perhaps you of the Caribbean out of the experience of your long and often sorrowful history can, with the aid of God, bring to yourselves and to the world a working philosophy that will aid mankind in its quest for freedom, dignity, and security.

## Development of the St. Lawrence Seaway and Power Project

*Statement by* UNDER SECRETARY ACHESON

MR. CHAIRMAN: The purpose of the legislation before you is to increase the wealth of the United States by developing one of the greatest natural resources in the world, the Great Lakes-St. Lawrence Basin.

The St. Lawrence Seaway is as old in its conception as the history of our country. The search for easy water communication to carry the commerce of the world led explorers and traders through this route 400 years ago. For over half a century the Governments of the United States and Canada have worked towards the development of a waterway from the Atlantic Ocean to the great farm lands and factories of the interior of our continent. The Seaway is not a new project. In fact the legislation before you provides merely for a series of improvements of an already existing inland waterway which are the logical sequel to the construction by the United States of such great works as the MacArthur Locks at Sault Ste. Marie and by Canada of the Welland Canal connecting Lake Ontario and Lake Erie. Today the Great Lakes-St. Lawrence System lies like a great highway of commerce stretching for 2,400 miles from Newfoundland into the industrial and agri-

Made before the Subcommittee of the Senate Foreign Relations Committee on legislation for the St. Lawrence Seaway and Power Project (S. J. Res. 104, 79th Cong.) and released to the press Feb. 18.

cultural heart of the United States and Canada, its potentialities for producing wealth limited only by some rapids between northern New York and Montreal where the existing canals are too shallow for most ocean-going vessels. The question now before you is whether this short obstruction should be removed.

Secondly, the legislation would provide for the construction in the International Rapids Section of hydroelectric-power works which would convert the torrential flow of the St. Lawrence into one of the greatest sources of cheap power in the world. The single power dam to be built will have a generating capacity of 2,200,000 horsepower, half of which would be made available to Canada and half reserved to the United States. The bill before you would wisely provide that the United States share of these power facilities be turned over as a public power project to the State of New York which will share with the Federal Government in the cost of the project.

It is estimated that all of this will cost the United States some \$285,000,000 on the basis of 1941 figures, of which about one third would be paid by New York so that the total cost to the Federal Government would be something under \$200,000,000. Some of the work, allocated to the United States and included in this estimate, such as the MacArthur Locks, has been done since 1941, and there will be some changes in these figures as the result of price variations. The Corps of Engineers will address themselves to this point.

What is the interest of the State Department in this matter? The obvious basis of the State Department's interest is that for geographical reasons the St. Lawrence project must be built in cooperation with Canada. The working out of the plans has required negotiations over a period of many years with the Canadian Government on a variety of questions such as the sharing of the cost, engineering plans and so forth, in the negotiation of which the State Department has cooperated with other agencies of our Government. The result of these negotiations is the agreement of March 19, 1941 with Canada the approval of which is provided for in the pending legislation. The negotiation and execution of this agreement in cooperation with Canada would in itself constitute a remarkable example of international cooperation.

But, it may be asked—aside from this are not the issues involved pretty much of a domestic character just as in any other public-works program? The answer to that is obviously “yes—in part”—but there is a larger interest that our Department has in the matter which in turn is intimately related to the principal question which must be asked about this legislation, namely—What does the United States get out of all this to justify the expenditure involved?

From the standpoint of our national security, the answer to that is clear. I have here a letter from the Secretary of War which states that the construction of the Seaway is a matter of importance to our national defense. (A similar statement also has been filed by the Secretary of the Navy.)

But from the standpoint of the development of our national wealth the advantages of the construction of the Seaway are even greater. The heart of our agricultural and industrial wealth lies in the great middle section of the United States around the Great Lakes. Almost unique among the highly industrialized sections of the world, our Middle Western manufacturing areas have grown up far away from ocean transportation. One of the chief reasons for this, of course, has been low-cost inland transportation on the Great Lakes. But since the first World War this area has progressively grown into a surplus producing area which now must ship its products not only within the United States but to foreign countries and which must procure its raw materials not only from within the United States but increasingly from abroad. For all of this a water route to the sea is needed. Our farmers in this area have competed in world markets despite their transportation disadvantages.

The time has come when we can no longer be profligate with our natural resources. To maintain our production in the Middle West at the increased rate which will be necessary to supply jobs for our working population—including returned servicemen—at the standards of living to which our people justifiably aspire, we must make use of every single profitable resource that we have available. Our great civilization in the Middle West has competed in the world market despite our higher living standards and higher costs, not only because of the special genius for production of the American people but because we have had

in the United States conditions of climate, natural resources, and fertility of soil which have made it possible for us as a nation to get more out of what we put into the job of producing goods, relatively speaking, than any other country in the world. We have had in other words a margin of superiority in this respect that is the basic reason for the miracle of our industrial development and of the staggering production performance of the United States during this war. We must make our plans carefully to maintain this margin of superiority and to go constantly forward in our industrial and agricultural development. For this purpose, we have negotiated and submitted to the Congress for approval the agreement with Canada that is now before you.

The St. Lawrence project has been described in the Department of Commerce Survey of 1941 as "among those projects which will reduce the expenditure of human energy per unit of product produced". It will make it possible not only to cope with the transportation problems which will arise as our present Great Lakes industries call upon the outside world for more and more raw materials, but it will also help to serve other industries which may be expected to develop in this area in the next 30 years. It will enable the farmer to get more out of his wheat crop and perhaps to make his crop larger to the extent that he can economically compete in the world market. Finally, as our efforts to build up an expanding world economy are successful, the Seaway will assist us in maintaining our share of the markets of the world—and will make it physically possible to move the increased volume of trade to which we must look forward.

Added to this we shall be harnessing the waters of the International Rapids Section so that we can utilize to the fullest extent this great source of cheap electrical power. The results are incalculable in terms of increased wealth and added purchasing power for our Nation. We have already seen what the TVA, the Boulder Dam, and the Grand Coulee have done for their respective areas. The part of the United States which would be served by the St. Lawrence power development has been a power deficit area and also needs the stimulation of low-cost power. The value of water power has long been recognized in other countries. The Committee members undoubtedly have seen recent reports that water power generated in Nor-

way will be made available across the Skagerrak for consumption in Denmark. In the Soviet Union, China, and other parts of the world, water power development is constantly increasing. We must make certain that the development of our power resources keeps pace with our industrial development. While the deep-water navigation through the St. Lawrence will promote international trade, the power made available by this project will serve the same end. Every bit of power that we add to our capacity increases our ability to use the world's raw materials and to provide the finished goods which are needed in our own and other areas. The time has come when we can no longer afford the enormous waste of wealth that is involved in our failure to harness the energy of this river.

Not least among the advantages of the St. Lawrence project will be the benefits that it will bring about also for our neighbor, Canada. For years the waters of the St. Lawrence have been a source of mutual concern to our two countries. The Canadian Government has already made important improvements in the waterway at its expense which the United States is entitled to and does utilize free of charge. The cost to Canada of the Welland Canal and certain less important improvements in the system has been about \$133,000,000. It is proposed that Canada will be given credit for these expenditures in arriving at the over-all division of cost between the two countries in the construction provided in the pending agreement. Furthermore, the economic development of the Great Lakes Basin in Canada is naturally of interest to us since Canada has long been our second-best customer and we in turn are Canada's best customer. The stronger that Canada becomes the better it is for us.

The Department of State realizes that there are interests in this country that object strongly to this program of construction. Some railroads believe that their capital investment will be prejudiced through diversion of traffic to the Seaway. Certain port cities entertain the same fear of loss of traffic. Great Lakes shipping interests believe that the entrance of ocean-going vessels into their territory will injure them economically. Coal interests allege that they will lose all or part of the Canadian markets. And power interests raise the controversial issue of public power. Other witnesses will appear in favor of the St. Lawrence



project who can testify with greater authority on these matters than I. However, there is good authority for saying that these fears are unjustified. The St. Lawrence Survey of the Department of Commerce completed in 1941 indicates for example that the prospective increase in freight traffic in the United States over the next 15 years will be such as to make the St. Lawrence Seaway an absolute necessity to help in handling our ocean-bound traffic. Similarly the survey indicates that many or all of the port cities deemed to be affected will gain new traffic as the result not only of normal growth in the United States but of the industrial expansion that will be stimulated through this project.

Every technical and mechanical advance in the history of the world has been viewed by some with alarm. This was true of the railroad, the automobile, the airplane—of the development of each new resource and of each section of our country. But our country has become great, not by listening to these fears but by utilizing every resource of brain or nature.

Fears have also been raised by the opposition to the St. Lawrence project that the pending agreement with Canada may not constitutionally be acted upon by the Congress through legislation, but must, so the argument goes, be a treaty. The Department of State believes that this position is incorrect and that the participation of the United States in the construction of the St. Lawrence project may legally be brought about through legislation to approve and effectuate the pending agreement. In support of this contention I have filed with the Chairman of the Subcommittee the full legal argument to substantiate this position. The memorandum also contains a statement of the historical and legislative background of the St. Lawrence project.

Under the Constitution, Congress is given power to regulate commerce with foreign nations and among the several States. This clause has for over 100 years been construed by the Supreme Court to vest in the Congress plenary powers to control navigation and to authorize the construction by private interests or by the Federal Government of projects relating to the improvement and utilization of navigable waters including hydroelectric projects. Under these powers the Congress has authorized the construction by the Federal Government of navigation and power projects of pro-

found significance to the economic life of the United States such as the Tennessee Valley Authority, the Boulder Dam, and the Columbia River projects.

The Congress is not deprived of its powers to enact legislation to authorize the construction of projects of this nature simply because such legislation is related to or is designed to effectuate an agreement with a foreign country. In fact there are many precedents in the history of our relations with Canada and with other nations of the exercise of the powers of Congress to authorize, to approve, or to carry out agreements with foreign countries in the field of the delegated powers of Congress.

## Appointments to Preparatory Commission of UNESCO

ESTHER C. BRUNAUER AS  
U. S. REPRESENTATIVE

[Released to the press February 18]

Assistant Secretary Benton has announced the appointment of Esther C. Brunauer as United States Representative on the Preparatory Commission of UNESCO and member of its Executive Committee. Dr. Brunauer, formerly an officer of the Division of International Organization Affairs of the Department of State, will serve in her new capacity with the personal rank of Minister.

The Preparatory Commission of UNESCO consists of one representative from each participating government. The principal tasks of the Commission are to bring UNESCO into operation when 20 governments have signed the Constitution and to provide for immediate action on urgent needs of educational, scientific, and cultural reconstruction. A special technical subcommittee is studying reconstruction needs and bringing such needs to the attention of governments, organizations, and persons who wish to contribute through appropriate channels.

The United States Representative participates in meetings of the Preparatory Commission and any subcommittees which it appoints to carry out its functions, and also represents the United States on the Executive Committee of the Preparatory Commission. The meetings are held in London at present but at a later date they may be held in Paris where the headquarters of the UNESCO are to be located. The United States Representative

has the task of presenting to the Preparatory Commission and its subsidiary groups the views of the United States Government on questions of policy as well as bringing to the attention of the appropriate subcommittees and officers of the Preparatory Commission Secretariat suggestions for the further activities and program of UNESCO.

Dr. Brunauer succeeds Grayson N. Kefauver, who was appointed to this post after the Conference for the establishment of UNESCO held in London last November. Dr. Kefauver, who had represented the United States in the Conference of Allied Ministers of Education in London since April 1944, died on January 4 of this year. During the interim since his death, this country has been represented in the UNESCO Preparatory Commission by Donald Stone, Assistant Director in Charge of Administrative Management, Bureau of the Budget.

Dr. Brunauer has been closely associated with the development of international organization in educational, scientific, and cultural fields. She served as technical expert on the United States Delegations to the San Francisco conference and to the UNESCO conference in London.

#### HOWARD E. WILSON AS U. S. MEMBER ON INTERNATIONAL SECRETARIAT

[Released to the press February 20]

Assistant Secretary of State Benton has announced the appointment of Dr. Howard E. Wilson as the principal officer designated by the United States Government to serve on the international secretariat of the Preparatory Commission of UNESCO.

Dr. Wilson succeeds Dr. Walter M. Kotschnig, Deputy Executive Secretary of the Commission, who is returning to this country to resume his duties as Associate Chief of the Division of International Organization Affairs of the Department of State.

Dr. Wilson, a native of Illinois, received the Ph.B. and M.A. degrees from the University of Chicago, and the Ed.D. from Harvard (1931). After teaching at the Stevens Point (Wis.) High School and the University of Chicago High School, Dr. Wilson was associated with the Graduate School of Education at Harvard University, where he was successively instructor, assistant pro-

fessor, and associate professor. He resigned from Harvard in 1945 to accept the appointment as Assistant Director of the Division of Intercourse and Education of the Carnegie Endowment for International Peace.

Dr. Wilson has been a leader in the field of civic and international education. He served as a part-time member on the staff of the Regent's inquiry on the character and cost of education in New York State. In 1939 he was a staff member on the civic education project of the Educational Policies Commission. Since 1941 he has been active in the work for international education of the American Council on Education, serving as chairman of its committee on Asiatic studies in American education and as secretary of its committee on international education. He served as president of the National Council for the Social Studies, and has been a member of its board of directors since that date. He is secretary of the Canada-United States Committee on Education and chairman of the Commission on Education of the National Conference of Christians and Jews.

#### U. S. Government Orders Documents Returned to Czechoslovakia

[Released to the press February 23]

On February 11, 1946, an American military detachment from the American occupation forces in Germany entered Czechoslovakia and proceeded to remove to the American zone in Germany a number of documents which were found concealed in a hillside south of Praha. The detachment sought these documents because they were informed that the documents would throw light upon the pre-war plans of Hitler and give information as to the conduct of the war by the Nazi Government.

Although this American detachment entered Czechoslovakia with passes issued by the appropriate Czechoslovak liaison officer, this expedition had not been given approval by the Czechoslovak Government, which has protested this action. The American Government has expressed its deep regret to President Edvard Benes for this incident and has ordered an immediate return of the documents to the Czechoslovak Government.

## Deposit and Registration of Czechoslovak Securities

[Released to the press February 19]

The Department of State has been informed that the Czechoslovak Government has extended until March 10, 1946 the deadline for the deposit of Czechoslovak currency (denominations of 20 crowns or less) and registration of Czechoslovak bank deposits and life-insurance policies held by residents of the United States with Czechoslovak consular offices in the United States. The deadline previously announced was December 31, 1945.

The deadline for deposit and registration of Czechoslovak securities held by residents of the United States, previously fixed at February 28, 1946, has been extended to April 30, 1946. The official forms required to be used in the registration of the securities together with directions for their use may be obtained from Czechoslovak consular offices located in New York City, Chicago, Cleveland, Pittsburgh, San Francisco, and Washington.

## Visit of Finnish Journalists

[Released to the press February 18]

Three leading Finnish journalists, chosen by their Government to represent the Finnish press, are in Washington after a seven-week tour of the United States as guests of the Department of State's Office of International Information and Cultural Affairs.

The members of the party are: Miss Kaisu-Mirjami Rydberg, political columnist on the Helsinki daily *Vapaa Sana*, organ of the Democratic Union Party; Ragnar Olander, Associate Editor of *Hufvudstadsbladet*, leading Swedish-language daily of Helsinki; and Yrjo Anders Kaarne, foreign editor of *Suomen Sosialidemokraatti*, organ of the Social Democratic Party.

They were guests of members of the House of Representatives at a luncheon on February 15, and later in the day they were presented to President Truman after attending a White House press conference. On February 18 the group lunched with State Department officials. Another luncheon is planned with Washington newspaper and radio correspondents. They also are to be honored at a reception given for them by the Finnish Minister.

The Finnish journalists are on the last lap of a

country-wide tour. They have visited New York City, Detroit's automobile factories, Chicago's newspaper plants, large cooperatives in Duluth managed and conducted by Americans of Finnish origin, Bonneville Dam, and have been guests of the large community of Americans of Finnish ancestry in Astoria, Ore., while inspecting the lumber industry of the northwest. They have toured San Francisco's educational and cultural institutions, and the film studios, aircraft plants, and oil-producing area of Los Angeles. They have seen the Grand Canyon, the Indian reservations of the southwest, New Orleans, the power system of the Tennessee Valley Authority, and have watched the growing and processing of tobacco. They have attended meetings of agricultural associations in North Carolina and have studied textile production in New England and in the south.

Several other groups of European journalists have already toured this country under Government auspices. Such tours are encouraged by the Office of International Information and Cultural Affairs to make it possible for foreign newsmen to observe America's scientific, economic, and cultural achievements in all sections of the country, as well as American handling of immediate problems of reconversion and demobilization.

## Discussions of Relations With Austria

[Released to the press February 18]

The Secretary of State received on February 18 Dr. Ludwig Kleinwaechter, the representative of the Austrian Government, who has just arrived in the United States.

The Secretary and Dr. Kleinwaechter discussed various questions of interest involving the relationships between the United States and Austria. The Secretary assured Dr. Kleinwaechter that he would be glad to assist in any way possible the restoration of Austrian independence.

Dr. Kleinwaechter expressed appreciation for the proposal which had been made by the United States to the Governments of Great Britain, France, and the Soviet Union regarding the conclusion of a treaty by the four powers with the Austrian Government to determine Austria's status as an independent state.



## Polish-Soviet Treaties of Friendship and Alliance

*The Department was informed by the American Embassy at Warsaw of the exchange of ratifications in Warsaw on September 20, 1945, of the agreement regarding friendship, mutual assistance and post-war cooperation between the Union of Soviet Socialist Republics and the Polish Republic signed April 21, 1945. An English translation of the text and the ratifying document which appeared in Dziennik Ustaw (No. 47) of October 31, 1945 follows.*

### AGREEMENT

#### regarding friendship, mutual assistance and post-war cooperation between the USSR and the Polish Republic.

ON BEHALF OF THE POLISH REPUBLIC THE PRESIDENT OF THE NATIONAL COUNCIL OF THE HOMELAND announces that

On the twenty-first of April 1945, an agreement regarding friendship, mutual assistance and post-war cooperation was signed in Moscow between the Government of the Polish Republic and the Government of the USSR reading as follows:

### AGREEMENT

#### regarding friendship, mutual assistance and post-war cooperation between the USSR and the Polish Republic.

The President of the National Council of the Homeland and the Presidium of the Supreme Council of the Union of Socialist Soviet Republics moved by an unshaken determination to bring, in a common effort, the war with the German aggressors to a complete and final victory;

wishing to consolidate the fundamental change in the history of the Polish-Soviet relations in the direction of friendly cooperation, which has taken place in course of a common fight against the German imperialism;

trusting that a further consolidation of good neighbourly relations and friendship between Poland and her direct neighbour—the USSR—is vital to the interests of the Polish and Soviet peoples;

confident that friendship and close cooperation between the Polish people and the Soviet people will serve the cause of successful economic development of both countries during the war as well as after the war;

wishing to support after the war by all possible means the cause of peace and security of peoples;

have resolved to conclude this agreement and have appointed as their plenipotentiaries

the President of the National Council of the Homeland—EDWARD OSOBA-MORAWSKI, the President of the Council of Ministers and the Minister of Foreign Affairs of the Polish Republic,

The Presidium of the Supreme Council of the Union of Socialist Soviet Republics—JOSEPH VISSARIONOVITCH STALIN, Chairman of the Council of People's Commissars of the USSR

who, after exchange of full powers which were recognized as being in order and drawn up in due form, have agreed as follows:

### Article 1.

The High Contracting Parties jointly with all United Nations will continue the fight against Germany until final victory. In that fight the High Contracting Parties undertake to give one another mutual military and other assistance using all the means at their disposal.

### Article 2.

The High Contracting Parties, in a firm belief that in the interest of security and successful development of the Polish and Soviet peoples it is necessary to preserve and to strengthen lasting and unshaken friendship during the war as well as after the war, will strengthen the friendly cooperation between the two countries in accordance with the principles of mutual respect for their independence and sovereignty and non-interference in the internal affairs of the other government.

### Article 3.

The High Contracting Parties further undertake that even after the end of the present war they will jointly use all the means at their disposal in order to eliminate every possible menace of a new aggression on the part of Germany or on the part of any other government whatsoever which would be directly or in any other manner allied with Germany.

For this purpose the High Contracting Parties will, in a spirit of most sincere collaboration, take part in all international activities aiming at ensuring peace and security of peoples and will contribute their full share to the cause of realization of these high ideals.

The High Contracting Parties will execute this agreement in compliance with the international principles in the establishment of which both Contracting Parties took part.

### Article 4.

If one of the High Contracting Parties during the post-war period should become involved in war operations against Germany in case she should resume aggressive policy or against any other government whatsoever which would be allied with Germany directly or in any other form in such a war the other High Contracting Party will immediately extend to the other contracting party which is involved in military operations military and other support with all the means at its disposal.

### Article 5.

The High Contracting Parties undertake not to sign without mutual consent an armistice or a peace treaty with the hitlerite government or any other authority in Germany which menaces or may menace the independence,

territorial integrity or security of either of the two High Contracting Parties.

#### Article 6.

Each of the High Contracting Parties undertakes not to enter into any alliance or to take part in any coalition directed against the other High Contracting Party.

#### Article 7.

The High Contracting Parties will cooperate in a spirit of friendship also after the end of the present war for the purpose of developing and strengthening the economic and cultural relations between the two countries and will give mutual assistance in the economic reconstruction of the two countries.

#### Article 8.

This agreement comes into force from the moment of signing and is liable to ratification within the shortest possible period. Exchange of ratifying documents will take place in Warsaw as soon as possible.

This agreement will remain in force for 20 years after the moment of signing.

If one of the High Contracting Parties does not make a statement 12 months before the expiration of the 20 years' period to the effect that it wishes to give notice, this agreement will remain in force for a further period of five years and so on until one of the High Contracting Parties makes a statement in writing 12 months before the expiration of a successive 5 years' period to the effect that it intends to give notice of the agreement.

In witness whereof the mandatories have signed this agreement and have apposed their seals thereto.

Drawn up in Moscow on April 21, 1945, in duplicate, each copy in Polish and in Russian, both texts being equally binding.

By authority of the President of the National Council of the Homeland

L.S. (—) OSÓBKA-MORAWSKI

By authority of the Presidium of the Supreme Council of the USSR

L.S. (—) J. STALIN

After consideration this agreement has been recognized equitable in its whole as well as in individual provisions contained therein; it is, therefore, announced that it has been accepted, ratified and approved and will be strictly complied with.

In witness whereof this Act has been issued with the seal of the Polish Republic duly apposed thereto.

WARSAW, September 19, 1945.

President of the National Council of the Homeland  
BOLESŁAW BIERUT

President of the Council of Ministers

EDWARD OSÓBKA-MORAWSKI

Vice Minister of Foreign Affairs

p.p. Z. MODZELEWSKI

#### Item 269

### ANNOUNCEMENT OF THE GOVERNMENT

Dated September 21, 1945.

regarding exchange of ratifying documents in respect of the Agreement regarding friendship, mutual assistance and post-war cooperation between the Polish Republic and the USSR, which was signed in Moscow on April 21, 1945.

It is hereby announced that, according to Art. 8 of the Agreement regarding friendship, mutual assistance and post-war cooperation between the Polish Republic and the Union of Socialist Soviet Republics signed in Moscow on April 21, 1945, exchange of ratifying documents in respect of the above agreement took place in Warsaw on September 20, 1945.

p.p. Minister of Foreign Affairs  
Z. MODZELEWSKI

*The American Embassy at Moscow has informed the Department that the exchange of ratifications of the treaty of August 16, 1945 between the Union of Soviet Socialist Republics and Poland on the Soviet-Polish state frontier took place in Warsaw on February 5, 1946. The texts of the treaty and an agreement and accompanying protocol on compensation for damages caused by German occupation, as printed in the Moscow News of August 18, 1945, follow:*

### TREATY BETWEEN THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE POLISH REPUBLIC ON THE SOVIET-POLISH STATE FRONTIER

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics and the President of the National Council of the Polish Republic, desiring to settle the problem of the state frontier between the Soviet Union and Poland in the spirit of friendship and accord, have decided to conclude for this purpose the present Treaty and have appointed their Plenipotentiaries:

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics—VYACHESLAV MIKHAILOVICH MOLOROV, Vice Chairman of the Council of People's Com-

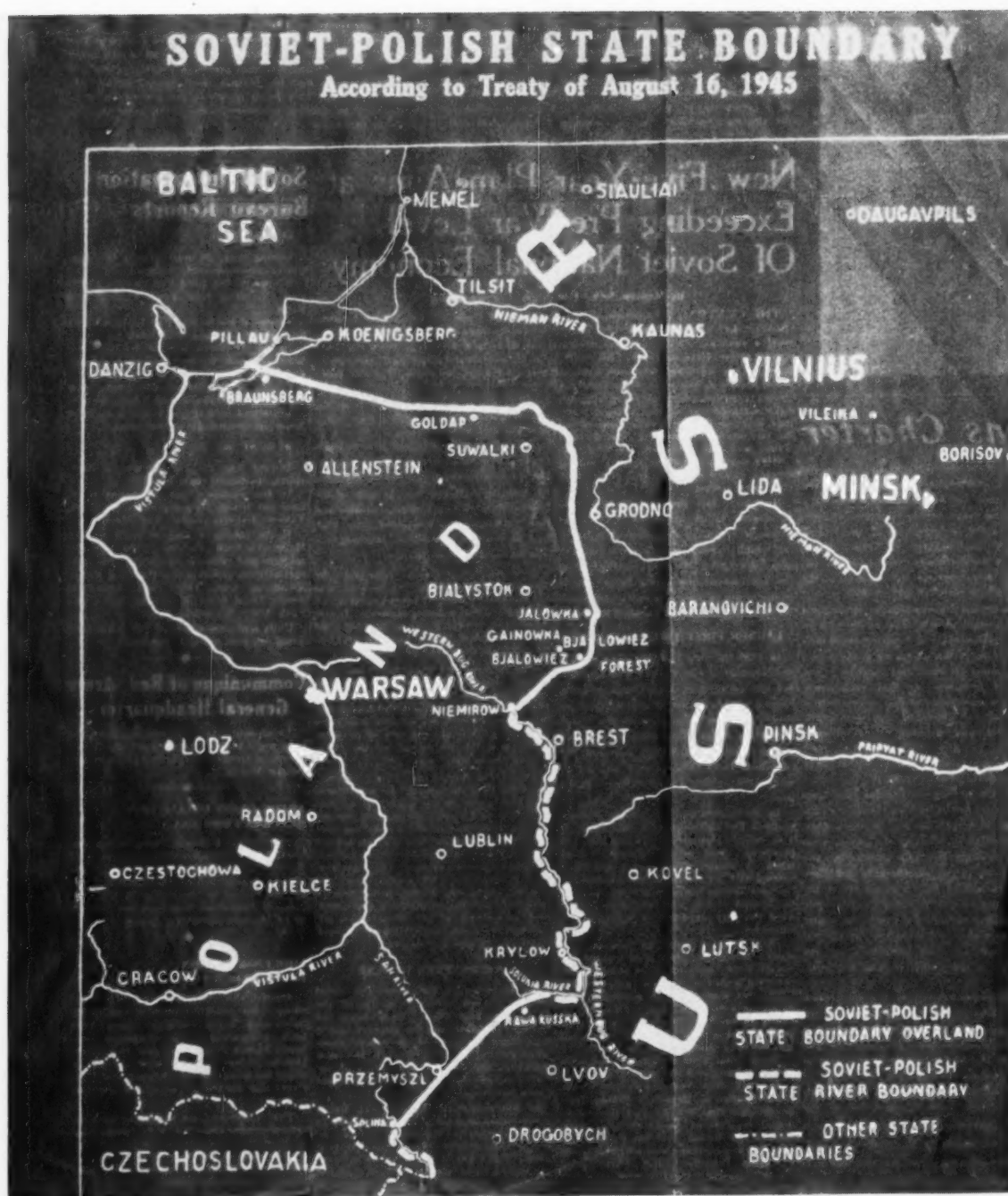
missars and People's Commissar of Foreign Affairs of the Union of Soviet Socialist Republics;

The President of the National Council of the Polish Republic—EDUARD OSÓBKA-MORAWSKI, President of the Council of Ministers of the Polish Republic,

who, having exchanged their credentials, found in due form and good order, have agreed on the following:

#### Article 1

In accordance with the decision of the Crimea Conference, to establish the state frontier between the Union of



Soviet Socialist Republics and the Polish Republic along the "Curzon Line," deviating from the line in Poland's favor in some districts from five to eight kilometers according to the map in scale 1:500,000 annexed hereto, conceding additionally to Poland:

a) territory situated east of the "Curzon Line" up to the Western Bug River and Solokia River (south of the town of Krylow) with a deviation in Poland's favor of up to thirty kilometers at the maximum:



b) part of the territory of the Bjalowiez forest in the sector Niemirów-Jalówka, situated east of the "Curzon Line," including Niemirów, Gainówka, Bjalowiez and Jalówka, with a deviation in Poland's favor of up to seventeen kilometers at the maximum.

#### Article 2

In accordance with the provisions of Article 1, the state frontier between the Union of Soviet Socialist Republics and the Polish Republic passes along the following line:

from the point situated approximately 0.6 kilometers southwest of the source of the San River northeastwards to the source of the San River and then down midstream of the San River up to the point situated south of the inhabited locality Solina,

then east of Przemyśl, west of Rawa Russka up to the Solokia River, then along the Solokia River and the Western Bug River in the direction of Niemirów-Jalówka, leaving on the Polish side part of the territory of the Bjalowiez forest mentioned in Article 1, and thence to the meeting point of the frontiers of the Lithuanian Soviet Socialist Republic, the Polish Republic and East Prussia, leaving Grodno on the USSR side.

The demarcation of the frontier indicated in the present article will be carried out on the spot by a Mixed Soviet-Polish Commission, whose seat will be in Warsaw

and which will begin its work not later than 15 days after the date of exchange of ratification instruments.

#### Article 3

Pending final decision on territorial questions at the peace settlement, part of the Soviet-Polish frontier adjoining the Baltic Sea will pass, in conformity with the decision of the Berlin Conference, along the line leading from the point situated on the eastern shore of Danzig Bay and indicated on the map annexed hereto, eastward to the north of Braunsberg-Goldap up to the point where this line meets the frontier line described in Article 2 of the present Treaty.

#### Article 4

The present Treaty is subject to ratification, which must take place at the earliest possible date. The Treaty comes into force upon the exchange of ratification instruments, which will take place in Warsaw.

Done in Moscow, August 16, 1945, in two copies, each in the Russian and Polish languages, both texts having equal force.

On Authorization of the  
Presidium of the Su-  
preme Soviet of the  
Union of Soviet Social-  
ist Republics

V. MOLOTOV

On Authorization of the  
President of the Na-  
tional Council of the  
Polish Republic

E. OSUBKA-MORAWSKI

### AGREEMENT BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE PROVISIONAL GOVERNMENT OF NATIONAL UNITY OF THE POLISH REPUBLIC ON COMPENSATION FOR DAMAGES CAUSED BY GERMAN OCCUPATION

The Government of the Union of Soviet Socialist Republics and the Provisional Polish Government of National Unity,

considering that the invasion by the German troops of territories of the Soviet Union and Poland and the temporary occupation of Poland and of a considerable part of the territory of the Soviet Union by German troops caused tremendous damage to the Soviet Union and the Polish Republic, destruction of many towns, industrial enterprises, railways and whole branches of national economy, the elimination of whose consequences requires prolonged and strenuous efforts of the Soviet and Polish peoples,

guided by the desire to render each other every assistance in carrying out the tasks connected with the elimination of the above grave consequences of German occupation,

have agreed on the following:

#### Article 1

In conformity with its statement at the Berlin Conference, the Soviet Government relinquishes in Poland's favor all claims to German property and other assets and also to shares of German industrial and transport enter-

prises throughout the territory of Poland, including that part of the territory of Germany which passes to Poland.

#### Article 2

In connection with the decisions of the Berlin Conference on the procedure governing the satisfaction of the reparation claims of Poland, the Soviet Government agrees to concede to Poland from its share of the reparations which are to be delivered to the Soviet Union:

a) 15% of all reparation deliveries from the Soviet zone of occupation in Germany which will be effected in the period after the Berlin Conference;

b) 15% of such usable and complete industrial capital equipment which, as established by the Berlin Conference, must be received by the Soviet Union from the western zones of occupation of Germany, delivery of this equipment to Poland to be effected in exchange for other goods from Poland;

c) 15% of such usable and complete industrial capital equipment which is to be delivered to the Soviet Union from the western zones without payment or compensation in any way.

In its turn the Polish Government undertakes, begin-

ning with 1946, to deliver to the Soviet Union annually, throughout the entire period of the occupation of Germany, coal at a special agreed price: eight million tons during the first year of deliveries, 13 million tons annually in the next four years, and 12 million tons in each of the subsequent years of the occupation of Germany.

### Article 3

The present Agreement comes into force immediately upon being signed.

## PROTOCOL TO AGREEMENT BETWEEN THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS AND THE PROVISIONAL POLISH GOVERNMENT OF NATIONAL UNITY ON COMPENSATION FOR DAMAGES CAUSED BY GERMAN OCCUPATION

In signing the Agreement Between the Government of the Union of Soviet Socialist Republics and the Provisional Polish Government of National Unity on Compensation for Damages Caused by German Occupation, the signatories have agreed on the following:

for the precise definition of the kind, terms and methods of deliveries of reparations due to Poland in conformity with Article 2, paragraphs "a" "b" and "c" of the above Agreement, a Mixed Soviet-Polish Commission is to be set up consisting of six members, three members from each side.

The present Agreement is done in Moscow, August 16, 1945, in two copies, each in the Russian and the Polish languages, both texts having equal force.

On Authorization of the  
Government of the Union  
of Soviet Socialist Re-  
publics

V. MOLOTOV

On Authorization of the  
Provisional Polish Gov-  
ernment of National  
Unity

E. OSUBKA-MORAWSKI

The Commission will be presided over by a representative from each side in turn upon mutual agreement.

Done on August 16, 1945, in Moscow, in two copies, each in the Russian and the Polish languages, both texts being authentic.

On Authorization of the  
Government of the  
Union of Soviet Social-  
ist Republics

V. MOLOTOV

On Authorization of the  
Provisional Polish Gov-  
ernment of National  
Unity

E. OSUBKA-MORAWSKI

### GERMAN PROPAGANDA—Continued from page 316

#### B. Basic Postulates for use exclusively outside the United States of America.

##### 1. Roosevelt is aiming at world domination.

Roosevelt wants to subject Latin America to Yankee imperialism and to inherit the British Empire. The assertion of complete guardianship of Central and South America (Conference at Rio), his military bases policy, his footholds in Europe (Iceland, North Ireland) and Africa, the systematic encouragement of Australian-New Zealand efforts at *rapprochement* with the U. S. A. and Canada, are milestones on this path. The trips of Churchill to North America to plead for help encourage his efforts at world domination.

##### 2. Roosevelt, the sick man of the White House.

Roosevelt is mentally abnormal. As a result of the paralysis he underwent, he suffers from complexes, a kind of persecution complex, delusions of grandeur, dreams of world domination, and believes himself to be a Messiah.

3. The population of North America is still not a unified nation. Citizens of all races and nationalities, among them a high percentage of Negroes, mulattoes and Jews, prevent the formation of a settled national purpose (*Willensbildung*).

4. The domestic social structure of North America cannot endure severe trials.

North American capitalists fear not only military defeats, but above all internal unrest and Communism because of military reverses. The people, which did not want this War, will awake and demand a reckoning. It will turn its anger against Roosevelt and the warmongers, especially the Jews.

5. North America is the land of bluff. The presumptuous behavior of the North American Special Representatives (the gangster Earle, Bullit [*sic*], Donovan, Biddle) tried to give the impression of invincible strength on the part of North America. Part of Europe and South America have fallen victim to this propaganda of bluff, while in the Pacific Britain and North America have been sacrificed [*lit. trans.* the sacrifices] to this Rooseveltian bluff. It will not be otherwise in the European-African Hemisphere.

##### 6. There will be no American century.

North America has no creative cultural powers at its disposal. She has replaced culture with a soulless civilization. Roosevelt's plans for improving the world are already compromised by the miserable repudiation of Wilson. Roosevelt has forfeited for all time any right to lead the nations to a better future because of his alliance with Bolshevism.

## Direct Telegraphic Service With Embassy in Paris

[Released to the press February 20]

The longest direct line in the history of commercial telegraphic communication was opened on February 20 between the State Department and the American Embassy in Paris. The new service marks the inauguration of the first direct commercial communication with the continent of Europe via cable. It makes possible the instantaneous receipt in the Paris Embassy of messages sent from the State Department, and thus enables officials of the two offices to engage in two-way teletype conversations.

Formerly, London was the only trans-Atlantic point with which direct communication was possible. Installation of the direct link with Paris eliminates two intermediate relays in New York and London. Communication with Paris and other points on the Continent is thereby greatly speeded.

To inaugurate the new service, messages were exchanged between Assistant Secretary of State Donald Russell and Ambassador Jefferson Caffery.

Mr. Russell's teletype message stated:

This message inaugurates direct telegraphic service between the Department and your Embassy evidencing another forward step in our efforts to improve the speed and efficiency of communications with the Foreign Service.

To this, Ambassador Caffery replied:

I am pleased to receive your message inaugurating the new telegraphic circuit. I feel as you do that this is an additional constructive tool to supplement our efforts to achieve more rapid and direct communication between the Department and the field.

## Education Advisory Group to Japan

[Released to the press February 18]

Assistant Secretary Benton, in response to a request by the War Department, has invited a number of distinguished American educators to serve as an advisory group on education to Japan. The advisory group was originally proposed by the Supreme Commander for the Allied Powers

in the Pacific, General Douglas MacArthur, who requested the assistance of competent authorities in various fields of education to advise his staff and, through him, the Japanese Ministry of Education on technical matters relating to the educational program to be followed under the Allied occupation.

The group will also make recommendations to the Supreme Commander on the most effective measures to be taken in the process of demilitarization and reorientation of the Japanese educational system. It is expected that the group will depart about February 22 from San Francisco and spend approximately one month in Japan.

In agreement with the War Department and General MacArthur, the Department has named George D. Stoddard chairman of the group. Dr. Stoddard is at present State Commissioner of Education for New York and President-elect of the University of Illinois.

The selection of the other members of the group was based on a list of 28 names which was proposed by General MacArthur and was announced in the press on January 4. Of these 28 persons, all of whom were invited to serve as members, the following accepted invitations:

WILSON M. COMPTON, President, State College of Washington.

GEORGE W. DIEMER, President, Central Missouri State Teachers College.

FRANK N. FREEMAN, Dean, School of Education, University of California.

VIRGINIA GILDERSLEEVE, Dean, Barnard College.

WILLARD E. GIVENS, Executive Secretary, National Education Association.

MRS. MILDRED McAFEE HORTON, President, Wellesley College.

LT. COL. T. V. SMITH, Professor of Philosophy, University of Chicago.

DAVID H. STEVENS, Division of Humanities, Rockefeller Foundation.

ALEXANDER J. STODDARD, Superintendent of Schools, Philadelphia.

WILLIAM C. TROW, Professor of Educational Psychology, University of Michigan.

In order to complete the group, the following persons were invited by the Department to participate in the group and have consented to do so:

HAROLD BENJAMIN, Director, Division of International Education, Office of Education.



LEON CARNOVSKY, Associate Dean, Graduate Library School, University of Chicago.

GEORGE S. COUNTS, Professor of Education, Columbia University and a Vice President, American Federation of Teachers.

ROY J. DEFERRARI, Secretary-General, Catholic University.

KERMIT EBY, Director of Research and Education, Congress of Industrial Organizations.

ERNEST R. HILGARD, Head of Department of Psychology, Stanford University.

MSGR. FREDERICK G. HOCHWALT, National Catholic Education Association and Chairman, Education Section, National Catholic Welfare Conference.

CHARLES IGLEHART, formerly Professor, Union Theological Seminary and Methodist Episcopal missionary to Japan, now adviser to the Civil Information and Education Section, SCAP.

CHARLES S. JOHNSON, Professor of Sociology, Fisk University.

ISAAC L. KANDEL, Professor of Comparative Education, Columbia University.

CHARLES H. MCCLOY, Professor of Physical Education, University of Iowa.

E. B. NORTON, State Superintendent of Education, Alabama.

MRS. PEARL WANNAMAKER, State Superintendent of Public Instruction, Washington.

MISS EMILY WOODWARD, State Department of Education, Georgia.

Harold Benjamin will represent the Office of Education as Government adviser to the group replacing the Commissioner of Education, John W. Studebaker, who is unable to go.

Gordon T. Bowles of Area Division V (Occupied Areas) of the Office of International Information and Cultural Affairs of the State Department will accompany the group as representative of the Department of State and Far Eastern Adviser. Paul P. Stewart, also of the same Office in the State Department, will serve as Secretary-General.

Col. John N. Andrews will accompany the group as Military liaison. Colonel Andrews has been with Selective Service.

In making its selections, the Department has been in close consultation with the Office of Education of the Federal Security Agency and has also sought the advice of representatives of nationally

recognized educational associations as well as of individuals prominent in the field of education, including the chairman of the group. As finally compiled, the list includes authorities from various parts of the country in all levels of education from the nursery school to the university. Various educational organizations, learned societies, and foundations are represented. Specialists are included in such fields as adult, rural, and women's education; the use of libraries; physical and health education; educational techniques; curricula and administration; teacher training; educational psychology and comparative education.

## Occupation Orders for Japanese Fishing and Aquatic Industries

[Released to the press February 18]

The following policy conclusions with respect to the treatment of Japanese fishing and aquatic industries during the occupation period have been approved by the State-War-Navy Coordinating Committee. They have been incorporated in a Directive from the Joint Chiefs of Staff to the Supreme Commander for the Allied Powers, General of the Armies Douglas MacArthur, dated November 19, 1945. They are released as a further step in the State Department program to release to the public, as rapidly as security conditions warrant, full information concerning the Japanese occupation policies which have been adopted by the United States on behalf of the Allies:

"During the period of occupation, the Supreme Commander should be guided, subject to military considerations, by the following general principles:

"a. In order to meet domestic consumption requirements, Supreme Commander should:

- (1) Insist that appropriate available vessels, facilities, gear, equipment and supplies in Japanese hands be put to use;
- (2) Take such steps as he may deem practical and necessary to provide sufficient fuel for allocation to fishing boats;
- (3) Require the Japanese Government to rehabilitate the production facilities of the fishing, fish fertilizer and seafood processing industries, and facilities for distribution of their products; and

(4) Furnish such other assistance, subject to general policies governing aid to Japanese industry, as he deems necessary.

"b. The coastal fisheries and fish culture should be utilized as the primary sources for domestic consumption. To the extent that fish culture and coastal fisheries are unable to meet the minimum domestic requirements, deep sea fisheries and other fisheries in water open to Japanese operation may be utilized where security and political considerations permit. Deep sea fishing in areas near United States territory or near United States island responsibilities should not be authorized. Japanese fishing should not be permitted near areas under Allied jurisdiction without prior permission from the country concerned. These prohibitions should continue until international agreements are negotiated permitting Japanese fishing in these areas.

"c. In order to determine (1) the effect on Japanese food supply of restrictive measures enforced for security or other reasons, and (2) the extent to which the United States and other nations should be permitted to exploit fisheries previously exploited by the Japanese, the Supreme Commander should immediately obtain from the Japanese Government available surveys and other data concerning the resources of all Pacific fishing areas previously exploited by the Japanese.

"d. Japanese fishing operations should conform strictly to:

- (1) The provisions of agreements relating to whaling to which the United States is a party;
- (2) The provisions of other agreements relating to conservation to which the United States is a party;
- (3) The policies or rules governing specific fisheries announced by the United States, or by other governments in conformity with policies announced by the United States with respect to coastal fisheries;
- (4) The Japanese national and local regulations for the conservation of fisheries.

"e. Such fishery products may be exported as can be produced by vessels, facilities, gear, equipment and supplies not suitable for or convertible to use in providing for domestic consumption, and which are needed (1) to supply United Nations needs for animal proteins and oils or (2) to secure foreign exchange for essential imports.

"f. In the establishment of local security regulations consideration should be given to ensuring the maximum production of seafood products consistent with security requirements."

## Fifth UNRRA Quarterly Report

### PRESIDENT'S LETTER OF TRANSMITTAL

[Released to the press by the White House February 8]

*To the Congress of the United States of America:*

I am transmitting herewith the fifth quarterly report on operations of UNRRA and on expenditures of funds appropriated by the Congress under the Act of March 28, 1944.

With complete victory over the Axis powers, UNRRA has been able to expand its operations in relieving the ravages of war. The improvement in shipping and the release of supplies have made it possible for UNRRA to ship sharply increased quantities of relief goods to the liberated peoples.

The recent action of the Congress in approving additional funds for the work of UNRRA has assured a continuing flow of needed supplies.

HARRY S. TRUMAN.

THE WHITE HOUSE,  
February 8, 1946.

## Whaling Agreement and Protocols

### *Netherlands*

The British Foreign Office has notified the American Embassy in London of the accession of the Netherlands Government on October 29, 1945 to the international agreement for the regulation of whaling signed in London on June 8, 1937,<sup>1</sup> and of its accession on December 7, 1945 to the 1938 protocol amending that agreement.<sup>2</sup>

### *Denmark*

The Foreign Office also notified the Embassy of the accession on November 10, 1945 of the Danish Government to the 1944 supplementary protocol on the international regulation of whaling.

<sup>1</sup> Treaty Series 933.

<sup>2</sup> Treaty Series 944.

## Agricultural Mission To Visit Near East

[Released to the press February 19]

The United States Government, through its Departments of State and Agriculture, is planning to send an Agricultural Mission to certain countries in the Near East primarily interested in agricultural development.

This Mission is being arranged as a result of requests received by the United States Government over the last two years from several Near Eastern Governments and private institutions for agricultural advice and assistance. Plans for the Mission were made in accordance with the United States Government's policy of cultural and technical collaboration with foreign countries. It is understood that any studies and final recommendations made by the Mission would represent as far as possible a cooperative effort between its members, local government officials, and interested private organizations.

The primary purpose of the Mission is to survey the agricultural situation in conjunction with local authorities in order to indicate possibilities of long-term developmental projects which might be undertaken by Near Eastern Governments independently or in collaboration with the United States Government. The cooperation of private American and local institutions would also be encouraged.

The secondary purpose is to share with governments and private organizations American agricultural experience and to extend advice pertinent to the regions' needs when requested.

Members of the Mission are Dr. Franklin Stewart Harris, president of Utah State Agricultural College, Logan, Utah, agronomist and expert on irrigation and agricultural education; Dr. Robert Earle Buchanan, director of Iowa State's agricultural experiment station and dean of Iowa State College of Agriculture and Mechanic Arts, Ames, Iowa; and Dr. Aff Tannous, rural sociologist, member of the Department of Agriculture's Office of Foreign Agricultural Relations.

The Mission is prepared to spend about four and a half months in the Near East, arriving in Lebanon late in February.

<sup>1</sup> Ex. Or. 9698 (11 *Federal Register* 1809).

## Privileges and Exemptions for International Organizations

[Released to the press February 20]

The International Organizations Immunities Act, approved December 29, 1945 (Public Law 291, 79th Cong.) provides that certain privileges, exemptions, and immunities shall be extended to such public international organizations and to their officers and employees as shall have been designated by the President through appropriate Executive order as being entitled thereto. By an Executive order of February 19, 1946,<sup>1</sup> the President designated the following organizations as being entitled to the privileges provided in the act of December 29, 1945:

Food and Agriculture Organization; International Labor Organization; Pan American Union; United Nations; United Nations Relief and Rehabilitation Administration.

The above-mentioned Executive order designates the Secretary of State as the officer to receive applications, and to require such information as he may deem necessary from those international organizations which apply to receive the privileges conferred by the act of December 29, 1945, and to prepare recommendations to the President as to whether the applicant organizations are envisaged by the aforesaid act and should be so designated by Executive order.

A public international organization, which desires to be considered as entitled to the privileges conferred by the aforesaid act, should address an application to the Honorable the Secretary of State, Washington, D. C. Each applicant organization should be able to satisfy the following requirements:

1. The applicant organization, and its officers and employees, must be doing sufficient business in the United States to warrant granting them the privileges of the legislation; and their activities must be such as reasonably to require the said privileges. In general, this will mean that the organization must have an office and staff located within the United States.
2. The Government of the United States must be a participating member in the applicant organization.
3. The participation of the Government of the



MARCH 3, 1946

349

United States must be pursuant to a treaty or under the authority of an act of Congress authorizing such participation or making an appropriation for such participation.

4. The applicant organization must be composed principally of governments, as distinguished from private organizations, as members.

5. The applicant organization must not be scheduled for liquidation in the immediate future.

Each applicant organization should supply such information as might enable the Secretary of State to determine whether the organization satisfies the above-mentioned requirements. Data regarding the method and date of its establishment, its membership and functions, principal officers, number of employees, location of offices, and any other pertinent information should accompany the application.

## Visit of Argentine Architect

[Released to the press February 20]

Dr. Horacio Moyano Navarro, professor of architecture at the National University of Tucuman in Argentina, has arrived in the United States as a guest of the Department of State. After a short stay in Washington he will lecture in English on the general theory and history of architecture, on architecture in Latin America, and on various aspects of Argentine culture.

Through his work at Columbia where he studied under A. D. F. Hamlin and Talbot Hamlin from 1924 to 1929, Dr. Moyano is already widely familiar with the history and theory of architecture in the United States. He has long been a student of American housing and city planning in California and the Southwest. His purpose at this time, however, is to study the university cities and college campuses of this country. In planning a centralized arrangement for its new buildings—a project which may take 50 years to complete—the University of Tucuman wishes to embody the best elements of American design. Such a unified group, when fully carried out, will be the first of its kind in Argentina. The different faculties, now isolated from each other in various parts of the city, will then form one cultural unit. Engineers and philosophers, through living side by side, may be expected to become men of wider culture.

As an architect Dr. Moyano's chief interest, apart from his present mission, is in housing for people of limited means. Financially and architecturally speaking, the problems involved have not been faced as yet in Argentina. Housing units are for the most part too expensive and hence not accessible to the majority of persons of small incomes. With regard to style, Dr. Moyano believes the strongest influence at work in Argentina now is that of the United States. Before the war this was not the case. French, German, and Austrian influences, introduced by the architectural magazines from those countries, were then the most powerful. With the war the importation of these publications came to an end. Whether from this or from other causes, a reaction against le Corbusier and Gropius has now set in. Argentine architects, though inclined to retain the best features of contemporary interior design, are tired of the modern façades. Possibly influenced by practice in the United States, they are turning to classical design, especially in its Georgian phase of red brick with white trim.

## Visit of Argentine Artist

[Released to the press February 21]

Señor Héctor Basaldúa, noted Argentine painter and stage designer, has arrived in this country to study American stage production in its technical and artistic aspects. As scenic director since 1933 of the Teatro Colón at Buenos Aires, Señor Basaldúa, by the quality of his designs, has placed that institution in the front rank among musical theaters of the world. The more than 50 productions for which he has designed the settings and costumes range from the oldest to the newest masterpieces of opera and ballet, from Monteverde, Rameau, Pergolese, and Cimarosa to Richard Strauss, Debussy, and Ravel; and reveal on the part of both scenic director and of the Argentine public a degree of informed taste unsurpassed—perhaps unrivaled—in this hemisphere. Señor Basaldúa's designs for all these productions are both scholarly and original. His designs for the *Sombrero de Tres Picos*, for example, show a consummate knowledge of theatrical style together with a complete independence of the designs which Picasso made for the original performance of Manuel de Falla's ballet.

## Liquidation Offices Open in Canada and Atlantic Areas

[Released to the press by Foreign Liquidation Commissioner  
February 20]

Foreign Liquidation Commissioner Thomas B. McCabe announced on February 20 the opening of strategic field offices under Deputy Field Commissioners to facilitate disposal operations in Canada and the North Atlantic Area.

John W. Clarke, Chicago investment banker, now serving as Field Commissioner for Canada and the North Atlantic Area, has established the main office in Washington, with field offices set up at: Ottawa, Canada; St. John's, Newfoundland; Reykjavik, Iceland; and Godthaab, Greenland. The geographic area served includes Canada, Newfoundland, Labrador, Iceland, Greenland, Bermuda, and the Bahamas.

The bulk of the surpluses in these areas are in Canada, McCabe pointed out. Lt. Col. W. Gould Jones, of Washington, D.C., Deputy Field Commissioner for Canada, has set up operations in Ottawa.

Prior to the organization of OFLC, McCabe explained, officials of the United States Army, working with the Permanent Joint Board on Defense, disposed of fixed installations, movable goods, and other United States property, for \$77,000,000 in U.S. dollars. Colonel Jones will continue these disposal activities.

Charles B. Jones of Hinton, W. Va., former Chief Engineer with the Corps of Engineers for the Canol project, will be responsible for the disposal of Canol, under Field Commissioner Clarke. Mr. Jones served from 1930 to 1942 as Principal Civil Engineer, U.S. Engineer Department for the Honolulu District.

Army Air Force installations located at Gander, Newfoundland, and Goose Bay, Labrador, which were established as relay stations for aircraft flying the North Atlantic route to England and Ireland, comprise the bulk of surplus property in this area.

Col. George H. Foster, Acting Deputy Field Commissioner for Labrador and Newfoundland, has established an office in St. John's, Newfoundland. Colonel Foster was formerly a Washington tax lawyer and Special Assistant to the Attorney General.

Valdo F. Wilson, of New York, N. Y., Deputy Field Commissioner for Greenland and Iceland, with offices in Reykjavik, Iceland, and Godthaab, Greenland, is now commuting between these two cities making arrangements for the disposal of surplus property. Wilson, an investment banker, served from 1941 to 1945 with the OPM. He was Assistant to the Director of Contract Distribution, War Production Board.

## Handling of Mail on Foreign Policy

The bulk of the mail addressed to the President or the State Department having to do with United States foreign policy, the State Department says, is read, analyzed, and answered by the Public Views and Inquiries Section of the Division of Public Liaison.

Thousands of letters are received weekly not only from all parts of the United States but from all over the world expressing opinions on the conduct of United States foreign relations. The mail is not necessarily considered to be indicative of the trends of public opinion, but the letters are of interest for the broad range of organizations and groups represented by the writers, such as servicemen, religious, civic, and commercial organizations as well as private individuals. Regular reports on the opinions expressed in these letters go to the policy officers of the Department.

While the range of subjects covered in the letters is very broad, subjects of greatest interest to the writers over the past 18 months have been:

- United States policy on Palestine
- United Nations Conference at San Francisco
- The problems of foreign relief
- United States policy on Spain
- United States policy on China

## Universal Postal Convention

### Czechoslovakia

The Swiss Legation has informed the Department of State that the Government of Czechoslovakia has adhered to the Universal Postal Convention signed at Buenos Aires in 1939,<sup>1</sup> and to the six additional agreements provided for in article 3 of the convention. The Czechoslovakian adherence is effective June 28, 1945.

<sup>1</sup> 49 Stat. (pt. 2) 2741.

## Letters of Credence

### MINISTER OF SAUDI ARABIA

The newly appointed Minister of Saudi Arabia, Asad al Faqih, presented his letters of credence to the President on February 8. For the texts of the Minister's remarks and the President's reply, see Department of State press release 91.

## Colonel John T. Tripp Returns From China

[Released to the press January 15]

Lt. Col. John T. Tripp, bacteriologist who was lent to the State Department by the Surgeon General's Office, War Department, has recently returned from an 18 months' stay in China. Under the Department of State's cultural-cooperation program, Colonel Tripp, assigned to the Chinese National Health Administration, assisted in setting up a central laboratory in China for the standardization of biological products, such as vaccines, antitoxins, and serums.

The project on which Colonel Tripp worked in China was typical of the cooperative enterprises engaged in by Chinese and American agencies for assisting China's war effort and post-war rehabilitation. In this case, in addition to the Governments of the United States and China, the American Bureau for Medical Aid to China and the Michigan Department of Health participated, the former furnishing over six thousand pounds of laboratory equipment and supplies, and the latter donating other items of laboratory supplies.

Colonel Tripp remodeled and enlarged the laboratory of the National Health Administration at Koloshan to accommodate the new equipment, prepared teaching manuals for a training course for laboratory technicians, and gave lectures to staff members on the manufacture and standardization of vaccines, serums, and other biologics. Commercial vaccine laboratories and epidemic-prevention bureaus in many parts of China were inspected by him and recommendations made for their improvement. The prevalence of cholera in China stimulated a study of methods for manufacturing bacterial vaccines in that country, which resulted in the preparation and standardizing of cholera vaccine in the Koloshan laboratory of the National Health Administration. The manufacture of penicillin was also begun in this laboratory as the result of Colonel Tripp's work there.

Battle experience convinced the Chinese Army Medical Administration of the need for intravenous solutions, such as dextrose and saline, to augment the meager supply of plasma. A proposal for the manufacture of these solutions in China with available equipment and supplies was adopted by the Army Medical Administration, and funds were placed at Colonel Tripp's disposal for getting the project started. He was also asked by the Army Medical Administration to assist in improving the operation of the blood bank at Kunming and increasing the production of

blood plasma. He supervised the training of enlisted men in the Chinese Army as technicians for the blood bank and reorganized the methods of collecting and storing plasma. Four mobile plasma units were organized and sent out.

Before leaving China Colonel Tripp inspected health installations in liberated China, at Tientsin, Shanghai, and Peiping.

Colonel Tripp will return to his duties as head of the Biologic Products Division, Michigan Department of Health, Lansing, Michigan.

## William G. Madow Assumes Post as Visiting Professor in Brazil

[Released to the press January 15]

William G. Madow of the Bureau of the Census is flying to Brazil on January 28 to assume his post as visiting professor of statistics at the University of São Paulo. His trip is sponsored jointly by the Department of State and the Brazilian Government. Dr. Madow will spend two weeks at Rio de Janeiro before proceeding to São Paulo on February 15.

## *The Department*

### Appointment of Officers

Joe L. Jessup as Executive Officer in the Office of Departmental Administration, effective January 2, 1946.

George C. McGhee as Special Assistant to the Deputy to the Assistant Secretary for Economic Affairs, effective January 2, 1946.

Merle K. Wood as Executive Officer in the Office of Near Eastern and African Affairs, effective January 2, 1946.

T. M. Beale, Jr., as Adviser on British Commonwealth and Empire Commercial Affairs in the Division of Commercial Policy, effective January 5, 1946.

Honoré Marcel Catudal as Adviser in the Division of Commercial Policy, effective January 5, 1946.

C. Tyler Wood and Henry R. Labouisse, Jr., as Special Assistants to the Assistant Secretary for Economic Affairs, effective January 23 and 28, 1946, respectively.

William Benton and William T. Stone as Chairman and Vice Chairman, respectively, on the Interdepartmental Committee on Scientific and Cultural Cooperation, effective February 4, 1946.

Robert F. Evans as Special Assistant to the Director in the Office of the Foreign Service.



## *The Foreign Service*

### Diplomatic Offices

The office at Budapest, Hungary, was changed from a United States Mission to a Legation effective January 26, 1946, upon the presentation of credentials by the Minister.

### Confirmation

On February 13, 1946 the Senate confirmed the nomination of Raphael O'Hara Lanier as Envoy Extraordinary and Minister Plenipotentiary to Liberia.

## *The Congress*

Study of Immigration and Naturalization Laws and Problems: Hearings Before the Committee on Immigration and Naturalization, House of Representatives, Seventy-ninth Congress, First Session, pursuant to H. Res. 52, authorizing a study of immigration and naturalization laws and problems. Part 3, July 3, 1945. iii, 133 pp.

To Revise and Codify the Nationality Laws of the United States Into a Comprehensive Nationality Code: Hearings Before the Committee on Immigration and Naturalization, House of Representatives, Seventy-sixth Congress, First Session on H.R.6127, superseded by H.R.9980, a bill to revise and codify the nationality laws of the United States into a comprehensive nationality code. January 17, February 13, 20, 27, 28, March 5, April 11, 16, 23, May 2, 3, 7, 9, 13, 14, and June 5, 1940. ii, 710 pp. (Indexed.)

Postwar Economic Policy and Planning: Part 2, Eighth Report of the House Special Committee on Postwar Economic Policy and Planning pursuant to H. Res. 60, A Resolution Authorizing the Continuation of the Special Committee on Postwar Economic Policy and Planning, Statistical Analysis of the Economic Conditions of Selected Countries of Europe and the Middle East. H. Rept. 1527, 79th Cong., iii, 72 pp.

Authorizing Appointment of Additional Foreign-Service Officers in the Classified Grades. 79th Cong., Report No. 1590. 3 pp.

To Investigate Executive Agencies: Hearings before the Special Committee to Investigate Executive Agencies, House of Representatives, 79th Cong., pursuant to H. Res. 88, A Resolution to Continue a Select Committee to Investigate Acts of Executive Agencies Beyond the Scope of Their Authority. Hearings on WPB Order M-288—OPA Orders 578-580 and Proposed Map, Supplement to Part 1, June 20, 1945. 60 pp. [State Department Testimony pp. 57-60.]

## *Contents—Continued*

### Record of the week—Continued

	Page
Visit of Argentine Artist. . . . .	349
Liquidation Offices Open in Canada and Atlantic Areas . .	350
Handling of Mail on Foreign Policy. . . . .	350
*Universal Postal Convention. Czechoslovakia . . . . .	350
Letters of Credence. Minister of Saudi Arabia . . . . .	351
Colonel John T. Tripp Returns From China . . . . .	351
William G. Madow Assumes Post as Visiting Professor in Brazil . . . . .	351
The Department. Appointment of Officers . . . . .	351
The Foreign Service:	
Diplomatic Offices . . . . .	352
Confirmation . . . . .	352
The Congress . . . . .	352

\* Treaty Information.